

# Original Application

Vanderbilt University  
Medical Center

CN1803-016



1. 2012年12月31日，甲公司“应付账款”科目所属各明细科目期末贷方余额如下表所示：

| 明细科目     | 期末贷方余额  |
|----------|---------|
| 应付账款—A公司 | 100000  |
| 应付账款—B公司 | 200000  |
| 应付账款—C公司 | 300000  |
| 应付账款—D公司 | 400000  |
| 应付账款—E公司 | 500000  |
| 应付账款—F公司 | 600000  |
| 应付账款—G公司 | 700000  |
| 应付账款—H公司 | 800000  |
| 应付账款—I公司 | 900000  |
| 应付账款—J公司 | 1000000 |

2. 2013年1月1日，甲公司“预付账款”科目所属各明细科目期末借方余额如下表所示：

| 明细科目     | 期末借方余额  |
|----------|---------|
| 预付账款—A公司 | 100000  |
| 预付账款—B公司 | 200000  |
| 预付账款—C公司 | 300000  |
| 预付账款—D公司 | 400000  |
| 预付账款—E公司 | 500000  |
| 预付账款—F公司 | 600000  |
| 预付账款—G公司 | 700000  |
| 预付账款—H公司 | 800000  |
| 预付账款—I公司 | 900000  |
| 预付账款—J公司 | 1000000 |

3. 2013年1月1日，甲公司“应收账款”科目所属各明细科目期末借方余额如下表所示：

| 明细科目     | 期末借方余额  |
|----------|---------|
| 应收账款—A公司 | 100000  |
| 应收账款—B公司 | 200000  |
| 应收账款—C公司 | 300000  |
| 应收账款—D公司 | 400000  |
| 应收账款—E公司 | 500000  |
| 应收账款—F公司 | 600000  |
| 应收账款—G公司 | 700000  |
| 应收账款—H公司 | 800000  |
| 应收账款—I公司 | 900000  |
| 应收账款—J公司 | 1000000 |

4. 2013年1月1日，甲公司“预收账款”科目所属各明细科目期末贷方余额如下表所示：

| 明细科目     | 期末贷方余额  |
|----------|---------|
| 预收账款—A公司 | 100000  |
| 预收账款—B公司 | 200000  |
| 预收账款—C公司 | 300000  |
| 预收账款—D公司 | 400000  |
| 预收账款—E公司 | 500000  |
| 预收账款—F公司 | 600000  |
| 预收账款—G公司 | 700000  |
| 预收账款—H公司 | 800000  |
| 预收账款—I公司 | 900000  |
| 预收账款—J公司 | 1000000 |

5. 2013年1月1日，甲公司“坏账准备”科目期末贷方余额如下表所示：

| 明细科目     | 期末贷方余额  |
|----------|---------|
| 坏账准备—A公司 | 100000  |
| 坏账准备—B公司 | 200000  |
| 坏账准备—C公司 | 300000  |
| 坏账准备—D公司 | 400000  |
| 坏账准备—E公司 | 500000  |
| 坏账准备—F公司 | 600000  |
| 坏账准备—G公司 | 700000  |
| 坏账准备—H公司 | 800000  |
| 坏账准备—I公司 | 900000  |
| 坏账准备—J公司 | 1000000 |

6. 2013年1月1日，甲公司“存货”科目所属各明细科目期末借方余额如下表所示：

| 明细科目   | 期末借方余额  |
|--------|---------|
| 存货—A公司 | 100000  |
| 存货—B公司 | 200000  |
| 存货—C公司 | 300000  |
| 存货—D公司 | 400000  |
| 存货—E公司 | 500000  |
| 存货—F公司 | 600000  |
| 存货—G公司 | 700000  |
| 存货—H公司 | 800000  |
| 存货—I公司 | 900000  |
| 存货—J公司 | 1000000 |

7. 2013年1月1日，甲公司“固定资产”科目所属各明细科目期末借方余额如下表所示：

| 明细科目     | 期末借方余额  |
|----------|---------|
| 固定资产—A公司 | 100000  |
| 固定资产—B公司 | 200000  |
| 固定资产—C公司 | 300000  |
| 固定资产—D公司 | 400000  |
| 固定资产—E公司 | 500000  |
| 固定资产—F公司 | 600000  |
| 固定资产—G公司 | 700000  |
| 固定资产—H公司 | 800000  |
| 固定资产—I公司 | 900000  |
| 固定资产—J公司 | 1000000 |

8. 2013年1月1日，甲公司“无形资产”科目所属各明细科目期末借方余额如下表所示：

| 明细科目     | 期末借方余额  |
|----------|---------|
| 无形资产—A公司 | 100000  |
| 无形资产—B公司 | 200000  |
| 无形资产—C公司 | 300000  |
| 无形资产—D公司 | 400000  |
| 无形资产—E公司 | 500000  |
| 无形资产—F公司 | 600000  |
| 无形资产—G公司 | 700000  |
| 无形资产—H公司 | 800000  |
| 无形资产—I公司 | 900000  |
| 无形资产—J公司 | 1000000 |

9. 2013年1月1日，甲公司“长期股权投资”科目所属各明细科目期末借方余额如下表所示：

| 明细科目       | 期末借方余额  |
|------------|---------|
| 长期股权投资—A公司 | 100000  |
| 长期股权投资—B公司 | 200000  |
| 长期股权投资—C公司 | 300000  |
| 长期股权投资—D公司 | 400000  |
| 长期股权投资—E公司 | 500000  |
| 长期股权投资—F公司 | 600000  |
| 长期股权投资—G公司 | 700000  |
| 长期股权投资—H公司 | 800000  |
| 长期股权投资—I公司 | 900000  |
| 长期股权投资—J公司 | 1000000 |

10. 2013年1月1日，甲公司“所有者权益”科目所属各明细科目期末贷方余额如下表所示：

| 明细科目      | 期末贷方余额  |
|-----------|---------|
| 所有者权益—A公司 | 100000  |
| 所有者权益—B公司 | 200000  |
| 所有者权益—C公司 | 300000  |
| 所有者权益—D公司 | 400000  |
| 所有者权益—E公司 | 500000  |
| 所有者权益—F公司 | 600000  |
| 所有者权益—G公司 | 700000  |
| 所有者权益—H公司 | 800000  |
| 所有者权益—I公司 | 900000  |
| 所有者权益—J公司 | 1000000 |

11. 2013年1月1日，甲公司“负债”科目所属各明细科目期末贷方余额如下表所示：

| 明细科目   | 期末贷方余额   |
|--------|----------|
| 负债—A公司 | 100000   |
| 负债—B公司 | 200000   |
| 负债—C公司 | 300000   |
| 负债—D公司 | 400000   |
| 负债—E公司 | 500000</ |



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

CERTIFICATE OF NEED APPLICATION

**SECTION A: APPLICANT PROFILE**

**1. Name of Facility, Agency, or Institution**

Vanderbilt University Medical Center

Name

1211 Medical Center Drive

Street or Route

Davidson

County

Nashville

City

TN

State

37232

Zip Code

Website address: www.vanderbilthealth.com

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

**2. Contact Person Available for Responses to Questions**

Ginna Felts

Name

Vice President

Title

Vanderbilt University Medical Center

Company Name

ginna.rader@vanderbilt.edu

Email address

3319 West End Avenue, Suite 920

Street or Route

Nashville

City

TN

State

37203

Zip Code

Employee

Association with Owner

615-936-6012

Phone Number

615-936-5310

Fax Number

**NOTE:** *Section A* is intended to give the applicant an opportunity to describe the project. *Section B* addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care.

Please answer all questions on **8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered**. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). **Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

### 3. SECTION A: EXECUTIVE SUMMARY

#### A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

**RESPONSE:** Vanderbilt University Medical Center is composed of the facilities commonly referred to as the Vanderbilt University Hospital, the Monroe Carell Jr. Children's Hospital at Vanderbilt, and Vanderbilt Psychiatric Hospital. These facilities operate under one hospital license as Vanderbilt University Medical Center (VUMC).

VUMC provides a number of clinical services unique to its region including: a Level 1 Trauma Center, a Level 1 Pediatric Trauma Center, a comprehensive Regional Burn Center, a Level 4 Neonatal Intensive Care Unit, the Vanderbilt-Eskind Diabetes Center and the Vanderbilt-Ingram Cancer Center, the only National Cancer Institute-designated comprehensive cancer center in Tennessee to treat both adult and pediatric cancer patients.

Vanderbilt Psychiatric Hospital (VPH) is a multidisciplinary mental health facility. In addition to traditional inpatient beds, VPH offers a comprehensive continuum of care including a Psychiatric Assessment Service, Adolescent and Adult Partial Hospitalization Programs; School-based Mental Health Programs; Street Psychiatry Program for the Homeless; Neuromodulation Program (Electroconvulsive Therapy & Transcranial Magnetic Stimulation); Forensic Psychiatry; Center of Excellence for Children at Risk of State Custody; Community Mental Health Center; Consult Liaison Services for Inpatient Medical Units; Geriatric Psychiatry Clinics; Child & Adolescent Psychiatry Clinics; Psychological Testing and Therapy Clinics; Vanderbilt Comprehensive Assessment Program (VCAP); and Medication Assisted Treatment (MAT). VPH utilizes an integrated care model to provide behavioral health support in medical settings including but not limited to the Vanderbilt-Ingram Cancer Center, the Vanderbilt Centers for Medical and Surgical Weight Loss, the Vanderbilt Inflammatory Bowel Disease Center, and the Vanderbilt Transplant Center.

This project seeks the addition of 14 adult inpatient beds at VPH to enhance its ability to offer a personalized assessment and treatment plan for patients suffering from psychiatric illnesses. These beds will be located in existing space in close proximity to VPH's outpatient treatment area, which will facilitate a seamless transition from the inpatient setting to outpatient programs.

- 2) Ownership structure;

**RESPONSE:** VPH is a part of Vanderbilt University Medical Center (VUMC).



3) Service area;

**RESPONSE:** The primary service area for this project is Middle Tennessee, including the following counties: Bedford, Cannon, Cheatham, Clay, Coffee, Cumberland, Davidson, Dekalb, Fentress, Franklin, Giles, Grundy, Hickman, Houston, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Overton, Perry, Pickett, Putnam, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Van Buren, Warren, White, Williamson, and Wilson. Eighty-six percent (86%) of VPH's patients reside in these counties.

4) Existing similar service providers;

**RESPONSE:** There are 22 inpatient psychiatric and mental health providers in the Middle Tennessee market. Several of these providers are limited to gero-psychiatric services or are not operated as part of general acute care hospital. VPH, as a part of VUMC, has the ability to care for patients who also have complex medical needs by offering a comprehensive continuum of care.

5) Project cost;

**RESPONSE:** The cost of the project is \$4,214,113.

6) Funding;

**RESPONSE:** The funding for this project will be cash reserves.

7) Financial Feasibility including when the proposal will realize a positive financial margin; and

**RESPONSE:** This project will have access to sufficient cash flow and will generate a positive EBITDA in year 1.

8) Staffing.

**RESPONSE:** VPH has an extensive multidisciplinary team that creates individualized treatment plans for all patients. This team includes psychiatrists, psychiatric nurse practitioners, registered nurses, social workers, mental health specialists, dietary services, pastoral care and discharge planners. The proposed beds will be staffed to meet the specific needs of the patients suffering from psychiatric illnesses, including registered nurses, mental health specialists, licensed clinical social workers, discharge planners, and a medical receptionist for the unit. It is anticipated that the 14 additional beds will require additional clinical staff totaling 21.3 FTEs.

**B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

1) Need;

**RESPONSE:** VPH is located on the campus of and operates as part of VUMC. This project is for the addition of 14 inpatient psychiatric beds and these beds are needed to alleviate the extremely high

occupancy VPH continues to experience. During FY17, VPH's occupancy was 91.3%, and more than 36% of VPH adult patients in FY17 had underlying acute medical conditions for which they have received treatment at Vanderbilt University Hospital (VUH). The consistently high occupancy of VPH beds compromises the timely transfer and its ability to accept patients after medical stabilization at VUH.

2) Economic Feasibility;

**RESPONSE:** The project will be funded through cash reserves and will generate a positive EBITDA in year 1.

3) Appropriate Quality Standards; and

**RESPONSE:** VUMC, including VPH, is licensed by the Tennessee Department of Health and accredited by the Joint Commission. In addition, VPH is actively engaged in many projects associated with maintaining and improving quality standards.

4) Orderly Development to adequate and effective health care.

**RESPONSE:** VPH is consistently experiencing very high occupancy, which impedes its ability to serve patients who seek admission there, many of whom have underlying medical issues for which treatment was provided at VUH. VPH accepts involuntary admissions and about 40% of VPH's admissions are TennCare or indigent patients. Additional inpatient capacity at VPH will enable it to serve these patients better.

**C. Consent Calendar Justification**

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

## SECTION A: PROJECT DETAILS

### Owner of the Facility, Agency or Institution

A.

Vanderbilt University Medical Center

Name

Phone Number

1121 Medical Center Drive

Davidson

Street or Route

County

Nashville

TN

37232

City

State

Zip Code

B. Type of Ownership of Control (Check One)

A. Sole Proprietorship

F. Government (State of TN or Political Subdivision)

B. Partnership

G. Joint Venture

C. Limited Partnership

H. Limited Liability Company

D. Corporation (For Profit)

I. Other (Specify)

E. Corporation (Not-for-Profit) X

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. **Attachment A.4A.**

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

**RESPONSE:** VUMC is a not-for-profit corporation organized under the laws of the State of Tennessee. VUMC has no members, is board governed, and is tax-exempt organization under section 501(c)3 of the Internal Revenue Code.

5. Name of Management/Operating Entity (If Applicable)

Name

Street or Route

County

City

State

Zip Code

Website address: \_\_\_\_\_

**For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.**

**6A. Legal Interest in the Site of the Institution (Check One)**

- |                                      |                    |
|--------------------------------------|--------------------|
| A. Ownership                         | D. Option to Lease |
| B. Option to Purchase                | E. Other (Specify) |
| C. Lease of <u>98</u> Years <u>X</u> |                    |

**Check appropriate line above:** For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

**RESPONSE:** Please see Attachment A.6A.

**6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site on an 8 ½" x 11" sheet of white paper, single or double-sided. DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

- 1) Plot Plan **must include**:
  - a. Size of site (*in acres*);
  - b. Location of structure on the site;
  - c. Location of the proposed construction/renovation; and
  - d. Names of streets, roads or highway that cross or border the site.
- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 ½ by 11 sheet of paper or as many as necessary to illustrate the floor plan.
- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

**RESPONSE:** VUMC is accessible from most major transportation routes including Highways I-65, I-440, and I-40. Public transportation access includes bus stops near the hospital on 21<sup>st</sup> Avenue South.

**Attachment A.6B.1 and Attachment A.6B.2.**

7. **Type of Institution** (Check as appropriate—more than one response may apply)

- |  |  |
|--|--|
| A. Hospital (Specify) _____ <u>X</u>                                   | H. Nursing Home  |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty        | I. Outpatient Diagnostic Center  |
| C. ASTC, Single Specialty  | J. Rehabilitation Facility   |
| D. Home Health Agency  | K. Residential Hospice   |
| E. Hospice   | L. Nonresidential Substitution-Based Treatment Center for Opiate Addiction |
| F. Mental Health Hospital  | M. Other (Specify)   |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID |  |

Check appropriate lines(s).

8. **Purpose of Review** (Check appropriate lines(s) – more than one response may apply)

- |   |  |
|---|--|
| A. New Institution  | F. Change in Bed Complement [Please <u>X</u> note the type of change by underlining the appropriate response: <u>Increase</u> , Decrease, Designation, Distribution, Conversion, Relocation] |
| B. Modifying an ASTC with limitation still required per CON                       |  |
| C. Addition of MRI Unit   |  |
| D. Pediatric MRI  |  |
| E. Initiation of Health Care Service as defined in T.C.A. §68-11-1607(4) (Specify | G. Satellite Emergency Dept.   |
|   | H. Change of Location  |
|   | I. Other (Specify)   |

9. **Medicaid/TennCare, Medicare Participation**

MCO Contracts [Check all that apply]

X AmeriGroup X United Healthcare Community Plan X BlueCare X TennCare Select

Medicare Provider Number 440039: Acute

Medicaid Provider Number 0440039: Acute

Certification Type Inpatient Facility

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare Yes No X N/A    Medicaid/TennCare Yes No X N/A

# 10. Bed Complement Data

## A. Please indicate current and proposed distribution and certification of facility beds.

|   | <u>Current<br/>Licensed</u> | <u>Beds<br/>Staffed</u> | <u>Beds<br/>Proposed</u> | <u>*Beds<br/>Approved</u> | <u>**Beds<br/>Exempted</u> | <u>TOTAL Beds at<br/>Completion</u> |
|---|-----------------------------|-------------------------|--------------------------|---------------------------|----------------------------|-------------------------------------|
| 1) Medical  | 252                         | 241                     | -                        | 61                        | -                          | 313                                 |
| 2) Surgical   | 145                         | 145                     | -                        | -                         | -                          | 145                                 |
| 3) ICU/CCU (includes PICU)  | 265                         | 265                     | -                        | 28                        | 68                         | 361                                 |
| 4) Obstetrical  | 50                          | 50                      | -                        | 23                        | -                          | 73                                  |
| 5) NICU   | 96                          | 96                      | -                        | 22                        | -                          | 118                                 |
| 6) Pediatric  | 129                         | 129                     | -                        | -                         | -                          | 129                                 |
| 7) Adult Psychiatric  | 64                          | 64                      | 14                       | -                         | -                          | 78                                  |
| 8) Geriatric Psychiatric  | -                           | -                       | -                        | -                         | -                          | -                                   |
| 9) Child/Adolescent Psychiatric                                   | 28                          | 28                      | -                        | -                         | -                          | 28                                  |
| 10) Rehabilitation  | -                           | -                       | -                        | -                         | -                          | -                                   |
| 11) Adult Chemical Dependency                                     | -                           | -                       | -                        | -                         | -                          | -                                   |
| 12) Child/Adolescent Chemical Dependency                          | -                           | -                       | -                        | -                         | -                          | -                                   |
| 13) Long-Term Care Hospital                                       | -                           | -                       | -                        | -                         | -                          | -                                   |
| 14) Swing Beds  | -                           | -                       | -                        | -                         | -                          | -                                   |
| 15) Nursing Home – SNF (Medicare only)                            | -                           | -                       | -                        | -                         | -                          | -                                   |
| 16) Nursing Home – NF (Medicaid only)                             | -                           | -                       | -                        | -                         | -                          | -                                   |
| 17) Nursing Home – SNF/NF (dually certified<br>Medicare/Medicaid) | -                           | -                       | -                        | -                         | -                          | -                                   |
| 18) Nursing Home – Licensed (non-certified)                       | -                           | -                       | -                        | -                         | -                          | -                                   |
| 19) ICF/IID   | -                           | -                       | -                        | -                         | -                          | -                                   |
| 20) Residential Hospice   | -                           | -                       | -                        | -                         | -                          | -                                   |
| <b>TOTAL</b>  | <b>1,029</b>                | <b>1,018</b>            | <b>14</b>                | <b>134</b>                | <b>68</b>                  | <b>1,245</b>                        |

*\*Beds approved but not yet in service*

*\*\*Beds exempted under 10% per 3 year provision*

## B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services.

**RESPONSE:** The addition of this unit will not impact VPH's existing services but rather will allow VPH to continue to offer a comprehensive continuum of care and personalized assessment and treatment plan for patients suffering from psychiatric illnesses. The location of the proposed unit was vacated research and office space.

## C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.

| <u>CON Number(s)</u> | <u>CON Expiration<br/>Date</u> | <u>Total Licensed Beds<br/>Approved</u> |
|----------------------|--------------------------------|---|
| CN710-075            | November 1, 2020               | 105                                     |
| CN1406-021           | November 1, 2020               | 108                                     |
| CN1602-010           | June 1, 2019                   | 0                                       |
| CN1705-016           | October 1, 2020                | 0                                       |

**11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice),**  
identify the following by checking all that apply:

**RESPONSE:** Not applicable.

|            | Existing<br>Licensed<br>County | Parent<br>Office<br>County | Proposed<br>Licensed<br>County |            | Existing<br>Licensed<br>County | Parent<br>Office<br>County | Proposed<br>Licensed<br>County |
|------------|--------------------------------|----------------------------|--------------------------------|------------|--------------------------------|----------------------------|--------------------------------|
| Anderson   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Lauderdale | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Bedford    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Lawrence   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Benton     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Lewis      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Bledsoe    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Lincoln    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Blount     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Loudon     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Bradley    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | McMinn     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Campbell   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | McNairy    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Cannon     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Macon      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Carroll    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Madison    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Carter     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Marion     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Cheatham   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Marshall   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Chester    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Maury      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Claiborne  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Meigs      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Clay       | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Monroe     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Cocke      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Montgomery | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Coffee     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Moore      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Crockett   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Morgan     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Cumberland | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Obion      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Davidson   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Overton    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Decatur    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Perry      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| DeKalb     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Pickett    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Dickson    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Polk       | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Dyer       | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Putnam     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Fayette    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Rhea       | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Fentress   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Roane      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Franklin   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Robertson  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Gibson     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Rutherford | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Giles      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Scott      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Grainger   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Sequatchie | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Greene     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Sevier     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Grundy     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Shelby     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hamblen    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Smith      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hamilton   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Stewart    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hancock    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Sullivan   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hardeman   | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Sumner     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hardin     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Tipton     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hawkins    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Trousdale  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Haywood    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Unicoi     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Henderson  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Union      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Henry      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Van Buren  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Hickman    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Warren     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Houston    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Washington | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Humphreys  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Wayne      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Jackson    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Weakley    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Jefferson  | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | White      | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Johnson    | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Williamson | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Knox       | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       | Wilson     | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |
| Lake       | <input type="checkbox"/>       | <input type="checkbox"/>   | <input type="checkbox"/>       |            |                                |                            |                                |

## 12. Square Footage and Cost Per Square Footage Chart

| Unit/Department  | Existing Location | Existing SF | Temporary Location | Proposed Final Location | Proposed Final Square Footage   |  |   |
|--|-------------------|-------------|--------------------|-------------------------|---|--|---|
|  |                   |             |                    |                         | Renovated   | New  | Total   |
| Adult Psychiatric Beds   | VPH               | 0           | None               | VPH 3                   | 6,000   | 0  | 6,000   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
|  |                   |             |                    |                         |   |  |   |
| Unit/Department GSF Sub-Total  |                   | 0           |                    |                         | 6,000   | 0  | 6,000   |
| Other GSF Total  |                   |             |                    |                         |   |  |   |
| Total GSF  |                   | 0           |                    |                         | 6,000   | 0  | 6,000   |
| *Total Cost  |                   |             |                    |                         | 6,000   | \$0  | \$3,000,000   |
| **Cost Per Square Foot   |                   |             |                    |                         | \$500   | \$0  | \$500   |
| <p>Cost per Square Foot Is Within Which Range<br/>           (For quartile ranges, please refer to the Applicant's Toolbox on <a href="http://www.tn.gov/hsda">www.tn.gov/hsda</a> )</p> |                   |             |                    |                         | <input type="checkbox"/> Below 1 <sup>st</sup> Quartile<br><br><input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile<br><br><input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile<br><br><input checked="" type="checkbox"/> Above 3 <sup>rd</sup> Quartile | <input type="checkbox"/> Below 1 <sup>st</sup> Quartile<br><br><input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile<br><br><input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile<br><br><input type="checkbox"/> Above 3 <sup>rd</sup> Quartile | <input type="checkbox"/> Below 1 <sup>st</sup> Quartile<br><br><input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile<br><br><input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile<br><br><input checked="" type="checkbox"/> Above 3 <sup>rd</sup> Quartile |

\* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

\*\* Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.



**13. MRI, PET, and/or Linear Accelerator**

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or

**RESPONSE:** Not applicable.

- (1) Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

- A. Complete the chart below for acquired equipment.

**RESPONSE:** Not applicable.

|                    |                                   |                                      |   |                                     |                               |                                      |
|--------------------|-----------------------------------|--------------------------------------|---|-------------------------------------|-------------------------------|--------------------------------------|
| Linear Accelerator | Mev _____                         | Types:                               | <input type="checkbox"/> SRS                        | <input type="checkbox"/> IMRT       | <input type="checkbox"/> IGRT | <input type="checkbox"/> Other _____ |
|                    | Total Cost*:                      |                                      | <input type="checkbox"/> By Purchase                |                                     | Expected Useful Life (yrs)    | _____                                |
|                    | <input type="checkbox"/> New      | <input type="checkbox"/> Refurbished | <input type="checkbox"/> By Lease                   |                                     |                               |                                      |
|                    |                                   |                                      | <input type="checkbox"/> If not new, how old? (yrs) |                                     |                               | _____                                |
| MRI                | Tesla: _____                      | Magnet:                              | <input type="checkbox"/> Breast                     | <input type="checkbox"/> Extremity  |                               |                                      |
|                    |                                   |                                      | <input type="checkbox"/> Open                       | <input type="checkbox"/> Short Bore | <input type="checkbox"/>      |                                      |
|                    | Total Cost*:                      |                                      | <input type="checkbox"/> By Purchase                |                                     | Expected Useful Life (yrs)    | _____                                |
|                    | <input type="checkbox"/> New      | <input type="checkbox"/> Refurbished | <input type="checkbox"/> By Lease                   |                                     |                               |                                      |
|                    |                                   |                                      | <input type="checkbox"/> If not new, how old? (yrs) |                                     |                               | _____                                |
| PET                | <input type="checkbox"/> PET only | <input type="checkbox"/> PET/CT      | <input type="checkbox"/> PET/MRI                    |                                     |                               |                                      |
|                    | Total Cost*:                      |                                      | <input type="checkbox"/> By Purchase                |                                     | Expected Useful Life (yrs)    | _____                                |
|                    | <input type="checkbox"/> New      | <input type="checkbox"/> Refurbished | <input type="checkbox"/> By Lease                   |                                     |                               |                                      |
|                    |                                   |                                      | <input type="checkbox"/> If not new, how old? (yrs) |                                     |                               | _____                                |

\* As defined by Agency Rule 0720-9-.01(13)

- B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

**RESPONSE:** Not applicable.

- C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

**RESPONSE:** Not applicable.

- D. Schedule of Operations:

**RESPONSE:** Not applicable.

| Location                        | Days of Operation<br>(Sunday through Saturday) | Hours of Operation<br>(example: 8 am – 3 pm) |
|---------------------------------|--|--|
| Fixed Site (Applicant)          | _____  | _____  |
| Mobile Locations<br>(Applicant) | _____  | _____  |
| (Name of Other Location)        | _____  | _____  |
| (Name of Other Location)        | _____  | _____  |

E. Identify the clinical applications to be provided that apply to the project.

**RESPONSE: Not applicable.**

(2) If the equipment has been approved by the FDA within the last five years provide documentation of the same.

**RESPONSE: Not applicable.**

## **SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 ½" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate “Not Applicable (NA).”***

### **QUESTIONS**

#### **NEED**

1. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency’s website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

**RESPONSE:** The Psychiatric Inpatient Services standards and criteria are applicable to this application.

#### **Standards and Criteria**

1. Determination of Need: The population-based estimate of the total need for psychiatric inpatient services is a guideline of 30 beds per 100,000 general population, using population estimates prepared by the TDH and applying the applicable data in the Joint Annual Report (JAR). These estimates represent gross bed need and shall be adjusted by subtracting the existing applicable staffed beds including certified beds in outstanding CONs operating in the area as counted by the TDH in the JAR. For adult programs, the age group of 18-64 years shall be used in calculating the estimated total number of beds needed; additionally, if an applicant proposes a geriatric psychiatric unit, the age range 65+ shall be used. For child inpatients, the age group is 12 and under, and if the program is for adolescents, the age group of 13-17 shall be used. The HSDA may take into consideration data provided by the applicant justifying the need for additional beds that would exceed the guideline of 30 beds per 100,000 general population. Special consideration may be given to applicants seeking to serve child, adolescent, and geriatric inpatients. Applicants may demonstrate limited access to services for these specific age groups that supports exceeding the guideline of 30 beds per 100,000 general population. An applicant seeking to exceed this guideline shall utilize TDH and TDMHSAS data to justify this projected need and support the request by addressing the factors listed under the criteria “Additional Factors”.

**RESPONSE:** Based on the population data provided by TDH (ages 18-64) of the defined service area, the need for adult psychiatric inpatient services is provided below. The current licensed bed count was extracted from 2016 Joint Annual Report of Hospitals and does not include dedicated geropsychiatric and child/adolescent beds.

The surplus indicated in the table below does not address the need for additional inpatient bed capacity at VPH. A significant number of the adult admissions to VPH have medical conditions for which treatment has been provided at VUH. The inpatient mental health needs of these patients can be served best by their timely admission to VPH. Transfer of these patients to another mental health facility does not provide them with the continuity and comprehensive capabilities of care they otherwise would receive if admitted to VPH.

|                          | Population<br>(Ages 18-64) | Need<br>(30 beds/100,000) | Current<br>Licensed Beds | Net/<br>Surplus |
|--------------------------|----------------------------|---------------------------|--------------------------|-----------------|
| Proposed<br>Service Area | 1,226,232                  | 368                       | 750                      | +382            |

2. Additional Factors: An applicant shall address the following factors:

- a. The willingness of the applicant to accept emergency involuntary and non-emergency indefinite admissions;

**RESPONSE:** The applicant accepts all emergency involuntary and non-emergency indefinite admissions.

- b. The extent to which the applicant serves or proposes to serve the TennCare population and the indigent population;

**RESPONSE:** VPH's serves the TennCare and indigent population. In FY17, approximately 40% of VPH's patients were TennCare and indigent population. It is also worth noting that VPH's TennCare population has increased by 18% since FY15 and out-of-state Medicaid discharges have more than doubled.

- c. The number of beds designated as "specialty" beds (including units established to treat patients with specific diagnoses);

**RESPONSE:** VPH is currently licensed for 92 inpatient beds, including 64 adult and 28 child/adolescent beds. VPH is comprised of three (3) adult units in addition to the child and adolescent units. The three (3) adult units treat patients with diagnoses including but not limited to mood disorders, anxiety, personality disorders, schizophrenia, bipolar disorder, catatonia, co-occurring addiction and depression. Within one of the adult units, there are eight (8) beds dedicated to the care of geriatric patients. In addition, VPH offers Psychiatric Assessment Services, which are available 24 hours per day, seven days per week, to provide immediate help in many crisis situations including but not limited to suicide attempt/ thoughts of suicide, depression, anxiety, physical and/ or sexual abuse, and alcohol/ drug abuse.

The ability of the applicant to provide a continuum of care such as outpatient, intensive outpatient treatment (IOP), partial hospitalization, or refer to providers that do;

**RESPONSE:** In addition to the inpatient service described above, VPH also offers a comprehensive continuum of care including:

- Adolescent and Adult Partial Hospitalization Programs;
- School-based Mental Health Programs;
- Street Psychiatry Program for the Homeless;

- Neuromodulation Program, which includes the Transcranial Magnetic Stimulation (TMS) and Electroconvulsive Therapy (ECT);
- The Vanderbilt Comprehensive Assessment Program for Professionals;
- Forensic Psychiatry;
- Center of Excellence for Children at Risk of State Custody;
- Community Mental Health Center; and
- MAT Clinic for Opiate Addiction.

In addition to these services, VPH's psychiatrists and psychiatric nurse practitioners provide mental health care to patients across the medical center including both emergency departments and the inpatient units. Furthermore, VPH utilizes integrated models to provide behavioral health support in medical settings including but not limited to the Vanderbilt-Ingram Cancer Center, the Vanderbilt Centers for Medical and Surgical Weight Loss, the Vanderbilt Inflammatory Bowel Disease Center, and the Vanderbilt Transplant Center.

- d. Psychiatric units for patients with intellectual disabilities;

**RESPONSE:** VPH does not have a unit dedicated to patients with intellectual disabilities.

- e. Free standing psychiatric facility transfer agreements with medical inpatient facilities;

**RESPONSE:** Since VPH is part of VUMC, this standard is not applicable and a transfer agreement is not needed.

- f. The willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions); and

**RESPONSE:** As previously mentioned, VPH treats all types of psychiatric patients, including those involuntarily admitted. In addition, VPH, as a unit of VUMC, is uniquely positioned to serve patients with medical conditions that have been treated at VUH or arrive as walk-ins. Many adults with mental disorders also have medical conditions, making VUMC uniquely capable of caring for the comprehensive needs of these patients. VPH also collaborates to provide mental health care to patients across the medical center, including emergency department and the inpatient units.

- g. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.

**RESPONSE:** VPH has an experienced multidisciplinary team of mental health professionals that creates individualized treatment plans for all patients. Each team is uniquely established and tailored with the appropriate expertise to care for the needs of each patient in a personalized way using the leading evidence-based practice. Similar to the staffing patterns in the other VPH adult units, this proposed unit will be staffed to include psychiatrists, nurses, mental health specialists, licensed clinical social workers, discharge planners, and a medical receptionist for the unit. It is also worth noting that in 2018, VPH received its third consecutive designation from the American Nurses' Credentialing Center as a

**Magnet Hospital in recognition excellence in patient outcomes, patient experience, and staff engagement. This designation recognizes VUMC among the top 5% of hospitals internationally for nursing excellence. Furthermore, VPH has been recognized for its unique capabilities and translational research to adapt its services to meet the needs of the surrounding community.**

- h. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

**RESPONSE: Although VPH is not licensed by TDMHSAS, VPH physicians and leadership work closely with TDMHSAS to provide services for fragile populations throughout middle Tennessee.**

- i. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

**RESPONSE: Not applicable.**

3. Incidence and Prevalence: The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

**RESPONSE: According to the TDMHSAS' Behavioral Health Prevalence Dashboard for the most recent data available, Region 4 and Region 5 (which represent the Middle Tennessee counties) have a higher rate of "any mental illness" than Tennessee and the United States. In addition, Region 4 and Region 5 had a higher rate of "serious mental illness" than the United States but slightly lower than Tennessee. The data are for all adults, ages 18+.**

|   | Region 4 | Region 5 | State | United States |
|---|----------|----------|-------|---------------|
| Any Mental Illness in the Past Year     | 20.5%    | 20.6%    | 20.3% | 18.4%         |
| Serious Mental Illness in the Past Year | 4.4%     | 4.3%     | 4.5%  | 4.1%          |

4. Planning Horizon: The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation.

**RESPONSE: The two years of operation for this project will be FY20 and FY21. For the defined service area, the inpatient psychiatric bed need is provided in the chart below for these two years.**

|                  | Population<br>(Ages 18-64) | Need<br>(30 beds/100,000) |
|------------------|----------------------------|---------------------------|
| Year 1<br>(2020) | 1,514,231                  | 454                       |
| Year 2<br>(2021) | 1,658,231                  | 497                       |

5. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may also include information on patient origination and geography and transportation lines that may inform the determination of need for additional services in the region.

Applicants should be aware of the Bureau of TennCare's access requirement table, found under "Access to Behavioral Health Services" on pages 93-94 at

<http://www.tn.gov/assets/entities/tenncare/attachments/operationalprotocol.pdf>.

**RESPONSE:** Approximately 86% of the patients treated at VPH are from the middle Tennessee service area, including Bedford, Cannon, Cheatham, Clay, Coffee, Cumberland, Davidson, Dekalb, Fentress, Franklin, Giles, Grundy, Hickman, Houston, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Overton, Perry, Pickett, Putnam, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Van Buren, Warren, White, Williamson, and Wilson. VPH is uniquely positioned to care for patients with to treat all medically complicated patients because it is part of VUMC.

6. Composition of Services: Inpatient hospital services that provide only substance use services shall be considered separately from psychiatric services in a CON application; inpatient hospital services that address co-occurring substance use/mental health needs shall be considered collectively with psychiatric services. Providers shall also take into account concerns of special populations (including, e.g., supervision of adolescents, specialized geriatric, and patients with comorbid medical conditions).

The composition of population served, mix of populations, and charity care are often affected by status of insurance, TennCare, Medicare, or TriCare; additionally, some facilities are eligible for Disproportionate Share Hospital payments based on the amount of charity care provided, while others are not. Such considerations may also result in a prescribed length of stay.

**REPSONSE:** The proposed unit will provide inpatient psychiatric care for patients suffering from psychiatric illnesses. VPH provides an environment that focuses on stabilization through a multidisciplinary approach. This approach is led by the psychosis team which collaborates throughout all levels of care in order to provide continuity and increased compliance of patients experiencing these chronic diseases. In addition, the addition of this 14-bed unit is needed to alleviate the extremely high

occupancy VPH continues to experience. Because more 36% of VPH adult patients in FY17 had underlying acute medical conditions for which they have received treatment at Vanderbilt University Hospital (VUH), the addition of these beds will allow for patients to seek psychiatric care at VPH after medical stabilization at VUH. Finally, it is anticipated that this patient population's payor mix will be consistent with VPH's overall current payor mix.

7. Patient Age Categorization: Patients should generally be categorized as children (0-12), adolescents (13-17), adults (18-64), or geriatrics (65+). While an adult inpatient psychiatric service can appropriately serve adults of any age, an applicant shall indicate if they plan to only serve a portion of the adult population so that the determination of need may be based on that age-limited population. Applicants shall be clear regarding the age range they intend to serve; given the small number of hospitals who serve younger children (12 and under), special consideration shall be given to applicants serving this age group. Applicants shall specify how patient care will be specialized in order to appropriately care for the chosen patient category.

**RESPONSE:** VPH is currently licensed for 92 beds, which includes 28 child/ adolescent beds and 64 adult beds. This specific project is for the addition of 14 adult beds to treat patients ages 18-64 suffering from psychiatric illnesses.

8. Services to High-Need Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including patients who are involuntarily committed, uninsured, or low-income.

**RESPONSE:** VPH treats all types of psychiatric patients, including those involuntarily admitted. This project is specifically to increase inpatient access to meet the demands of those patients suffering from psychiatric illnesses. In addition, approximately 40% of VPH's patients were TennCare and indigent population, and it is expected that the mix of patients treated in this new unit will have a similar payor mix. Finally, VPH is uniquely positioned to treat these medically complicated patients that often times have co-morbidities that required consultation and interventions from medical providers.

9. Relationship to Existing Applicable Plans; Underserved Area and Populations: The proposal's relationships to underserved geographic areas and underserved population groups shall also be a significant consideration. The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered. The degree of projected financial participation in the Medicare and TennCare programs shall be considered.

Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall also include how the applicant's services may differ from existing services (e.g., specialized treatment of an age-limited group, acceptance of involuntary admissions, and differentiation by payor mix). Accessibility to specific special need groups shall also be discussed in the application.

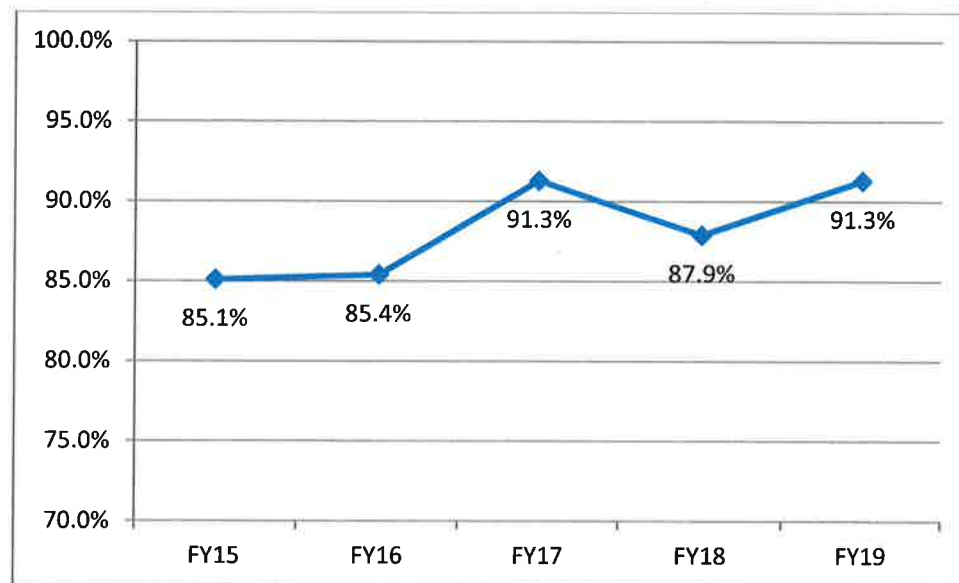
**RESPONSE:** VPH treats all types of psychiatric patients, including those involuntarily admitted. VPH is uniquely positioned to treat patients with comorbid and complex diagnoses that require consultation and interventions from specialists. VPH also collaborates to provide mental health care to patients



across the medical center, including emergency department and the inpatient units. Having the additional capacity at VUMC will allow for the continued collaboration and will provide a comprehensive continuum of care for these patients.

10. Expansion of Established Facility: Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of plans, service area, and populations served, in accordance with the original project proposal.

**RESPONSE:** As evident from the chart below, VPH continues to experience exceedingly high occupancy rates year over year well above the 80% threshold. In fact, during FY17, VPH's occupancy was 91.3% with eight (8) months VPH experience occupancy rates higher than 90% with the other four (4) months over 86% occupancy.



In June 2017, VPH received approval from the Board of Licensing for Health Care Facilities to exercise the 10% option to increase each bed category (pediatric and adult). VPH opened four (4) beds in September 2017. These four (4) beds attributed to the slight decrease in occupancy portrayed in the chart above.

Even with consistently high occupancy rates, VPH leadership continuously looks for space to expand their programs to ensure excellent patient care is provided. This proposed space was previously utilized as a basic science research lab. As part of a campus-wide initiative, it was relocated to Medical Research Building III, leaving this proposed space unoccupied. As a result, with minimal construction, the space can be built out to accommodate an additional inpatient unit. The identified location of this program will be in close proximity to the outpatient treatment area. This location provides for a unique treatment experience as this population will transition from the inpatient setting to the outpatient program.

11. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LGBT population).

**RESPONSE:** As part of VUMC, VPH is licensed by the State of Tennessee, Department of Health Facilities, Licensure Division. In addition, please see Attachment Contribution to the Orderly Development of Healthcare.4A for VUMC's recent Joint Commission certificate.

12. Institution for Mental Disease Classification: It shall also be taken into consideration whether the facility is or will be classified as an Institution for Mental Disease (IMD). The criteria and formula involve not just the total number of beds, but the average daily census (ADC) of the inpatient psychiatric beds in relation to the ADC of the facility. When a facility is classified as an IMD, the cost of patient care for Bureau of TennCare enrollees aged 21-64 will be reimbursed using 100 percent state funds, with no matching federal funds provided; consequently, this potential impact shall be addressed in any CON application for inpatient psychiatric beds.

**RESPONSE:** VPH is not classified as an IMD.

13. Continuum of Care: Free standing inpatient psychiatric facilities typically provide only basic acute medical care following admission. This practice has been reinforced by Tenn. Code Ann. § 33-4-104, which requires treatment at a hospital or by a physician for a physical disorder prior to admission if the disorder requires immediate medical care and the admitting facility cannot appropriately provide the medical care. It is essential, whether prior to admission or during admission that a process be in place to provide for or to allow referral for appropriate and adequate medical care. However, it is not effective, appropriate, or efficient to provide the complete array of medical services in an inpatient psychiatric setting.

**RESPONSE:** As previously mentioned, VPH offers a comprehensive continuum of care including adolescent and adult partial hospitalization programs; outpatient clinics and school-based programs.

14. Data Usage: The TDH and the TDMHSAS data on the current supply and utilization of licensed and CON-approved psychiatric inpatient beds shall be the data sources employed hereunder, unless otherwise noted. The TDMHSAS and the TDH Division of Health Licensure and Regulation have data on the current number of licensed beds. The applicable TDH JAR provides data on the number of beds in operation. Applicants should utilize data from both sources in order to provide an accurate bed inventory.

**RESPONSE:** The data provided in this application was extracted from the 2014-2016 Joint Annual Report (JAR) of Hospitals. The bed inventory for this market is provided below.

| County      | Facility Name  | Licensed Beds |      |       | Total Inpatient Admissions |        |        | Total Inpatient Days |         |         | Average Length of Stay |       |      | Average Daily Census |      |      | Licensed Occupancy Rate |       |       |
|-------------|--|---------------|------|-------|----------------------------|--------|--------|----------------------|---------|---------|------------------------|-------|------|----------------------|------|------|-------------------------|-------|-------|
|             |  | 2014          | 2015 | 2016  | 2014                       | 2015   | 2016   | 2014                 | 2015    | 2016    | 2014                   | 2015  | 2016 | 2014                 | 2015 | 2016 | 2014                    | 2015  | 2016  |
| Cannon      | Saint Thomas Stones River Hospital, LLC                  | 22            | 22   | 22    | 236                        | 270    | 271    | 2,933                | 3,675   | 3,458   | 12.4                   | 13.6  | 12.8 | 8                    | 10   | 9    | 36.5%                   | 45.8% | 43.1% |
| Clay        | Cumberland River Hospital                                | 8             | 8    | 8     | 100                        | 139    | 161    | 1,158                | 1,474   | 1,474   | 11.6                   | 8.5   | 9.2  | 3                    | 3    | 4    | 39.7%                   | 40.3% | 50.5% |
| Davidson    | Middle Tennessee Mental Health Institute                 | 207           | 207  | 300   | 3,642                      | 3,702  | 3,818  | 64,670               | 65,218  | 63,585  | 17.8                   | 17.9  | 16.7 | 177                  | 181  | 174  | 85.6%                   | 87.6% | 58.1% |
|             | Saint Thomas West Hospital                               | 23            | 22   | 22    | 275                        | 189    | 160    | 4,584                | 3,691   | 3,541   | 16.7                   | 19.5  | 22.1 | 13                   | 10   | 10   | 54.6%                   | 46.0% | 44.1% |
|             | Tristar Centennial Medical Center                        | 132           | 132  | 132   | 4,356                      | 3,104  | 2,031  | 39,516               | 31,350  | 24,345  | 9.1                    | 10.1  | 12.0 | 108                  | 86   | 67   | 82.0%                   | 65.1% | 50.5% |
|             | Tristar Skyline Madison Campus                           | 121           | 121  | 152   | 3,571                      | 3,871  | 3,476  | 29,816               | 29,116  | 23,925  | 8.3                    | 7.5   | 6.9  | 62                   | 60   | 66   | 87.5%                   | 85.9% | 43.1% |
|             | Vanderbilt University Medical Center                     | 88            | 88   | 88    | 3,646                      | 3,686  | 3,770  | 28,258               | 27,324  | 27,520  | 7.6                    | 7.4   | 7.3  | 77                   | 75   | 75   | 88.0%                   | 85.1% | 85.7% |
| Fentress    | Tennova Healthcare Jamestown                             | 10            | 10   | 10    | 0                          | 0      | 171    | 2,146                | 1,882   | 1,635   | -                      | -     | 9.6  | 6                    | 5    | 4    | 58.8%                   | 51.6% | 44.8% |
| Franklin    | Southern Tennessee Regional Health System - Winchester   | 12            | 12   | 12    | 228                        | 251    | 198    | 3,613                | 3,222   | 3,295   | 15.8                   | 12.8  | 16.6 | 10                   | 9    | 9    | 82.5%                   | 73.6% | 75.2% |
| Giles       | Southern Tennessee Regional Health System Pulaski        | 14            | 14   | 14    | 181                        | 170    | 175    | 2,470                | 2,584   | 2,477   | 13.6                   | 15.2  | 14.2 | 7                    | 7    | 7    | 48.5%                   | 50.6% | 48.5% |
| Lincoln     | Lincoln Medical Center                                   | 10            | 10   | 0     | 184                        | 141    | 0      | 2,709                | 2,096   | 0       | 14.7                   | 14.9  | -    | 7                    | 6    | -    | 74.2%                   | 57.4% | -     |
| Maury       | Behavioral Healthcare Center of Columbia                 | 16            | 16   | 16    | 32                         | 20     | 330    | 326                  | 361     | 3,606   | 10.2                   | 18.1  | 10.9 | 1                    | 1    | 10   | 5.6%                    | 6.2%  | 61.7% |
| Montgomery  | Behavioral Healthcare Center of Clarksville              | 26            | 26   | 26    | 321                        | 275    | 303    | 5,213                | 4,109   | 5,433   | 16.2                   | 14.9  | 17.9 | 14                   | 11   | 15   | 54.9%                   | 43.3% | 57.2% |
| Overton     | Livingston Regional Hospital                             | 10            | 10   | 10    | 226                        | 198    | 240    | 2,776                | 3,101   | 2,806   | 12.3                   | 15.7  | 11.7 | 8                    | 8    | 8    | 76.1%                   | 85.0% | 76.9% |
| Perry       | Perry Community Hospital                                 | 14            | 14   | 14    | 194                        | 157    | 192    | 2,278                | 1,869   | 2,284   | 11.7                   | 11.9  | 11.9 | 6                    | 5    | 6    | 44.6%                   | 36.8% | 44.7% |
| Fulham      | Cookeville Regional Medical Center/ Ten Broeck Tennessee | 32            | 32   | 32    | 879                        | 998    | 1,169  | 5,060                | 5,770   | 7,181   | 5.8                    | 5.8   | 6.1  | 14                   | 16   | 20   | 43.3%                   | 49.4% | 61.5% |
| Rutherford  | Trustpoint Hospital                                      | 59            | 72   | 72    | 1,861                      | 2,139  | 2,705  | 14,959               | 19,710  | 24,237  | 8.0                    | 9.2   | 9.0  | 41                   | 54   | 66   | 69.5%                   | 75.0% | 92.2% |
| Smith       | Riverview Regional Medical Center South                  | 10            | 10   | 10    | 200                        | 194    | 170    | 2,625                | 2,560   | 2,630   | 13.1                   | 13.2  | 15.5 | 7                    | 7    | 7    | 71.9%                   | 70.1% | 72.1% |
| Sumner      | Sumner Regional Medical Center                           | 12            | 12   | 12    | 137                        | 132    | 155    | 3,018                | 3,323   | 2,749   | 22.0                   | 25.2  | 17.7 | 8                    | 9    | 8    | 68.9%                   | 75.9% | 62.8% |
| Warren      | Saint Thomas River Park Hospital                         | 0             | 10   | 10    | 0                          | 78     | 142    | 0                    | 78      | 1,508   | -                      | 1.0   | 10.6 | -                    | 0    | 4    | -                       | 2.1%  | 41.5% |
| White       | Saint Thomas Highlands Hospital, LLC                     | 10            | 10   | 10    | 220                        | 277    | 271    | 2,821                | 3,080   | 3,069   | 12.8                   | 11.1  | 11.3 | 8                    | 8    | 8    | 77.3%                   | 84.4% | 84.1% |
| Williamson  | Rolling Hills Hospital Behavioral Health Core            | 85            | 85   | 120   | 3,162                      | 3,191  | 3,901  | 24,490               | 25,078  | 30,377  | 7.7                    | 7.9   | 7.8  | 67                   | 69   | 83   | 78.9%                   | 80.8% | 69.4% |
| Wilson      | McFarland Specialty Hospital                             | 49            | 49   | 49    | 858                        | 4      | 622    | 6,889                | 815     | 5,033   | 8.0                    | 203.8 | 8.1  | 19                   | 2    | 14   | 38.5%                   | 4.6%  | 28.1% |
| Grand Total |  | 970           | 992  | 1,141 | 24,509                     | 23,188 | 24,431 | 252,328              | 242,190 | 246,168 |                        |       |      |                      |      |      | 68.8%                   | 58.8% | 49.8% |

In addition, there have been a couple of approved CONs in the defined service area during the last several years but are not licensed yet. These include:

- Maury County – Tristar Maury Regional Behavioral Healthcare, addition of 60 beds
- Rutherford County – Trustpoint Hospital, addition of 88 beds

15. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. Each applicant shall outline planned staffing patterns including the number and type of physicians. Additionally, the applicant shall address what kinds of shifts are intended to be utilized (e.g., 8 hour, 12 hour, or Baylor plan). Each unit is required to be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times. This staffing level is the minimum necessary to provide safe care. The applicant shall state how the proposed staffing plan will lead to quality care of the patient population served by the project.

However, when considering applications for expansions of existing facilities, the HSDA may determine whether the existing facility's staff would continue without significant change and thus would be sufficient to meet this standard without a demonstration of efforts to recruit new staff.

**RESPONSE:** Similar to the staffing patterns in the other VPH adult units, this proposed unit will be staffed to meet the specific needs of the patients suffering from psychiatric illnesses, including psychiatrists, nurses, mental health specialists, social workers, and a medical receptionist. The additional clinical staff required for the 14 beds is projected to total 21.3 FTEs.

16. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care (e.g.,

agreements between freestanding psychiatric facilities and acute care hospitals, linkages with providers of outpatient, intensive outpatient, and/or partial hospitalization services). If they are provided, letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application shall detail specific instances of unmet need for psychiatric inpatient services. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

**RESPONSE:** VPH staff and physicians are committed to ensuring that patients transition smoothly to the most appropriate level of care. It is vitally important that patients are linked to the most appropriate available resources as they progress through their treatment experience. In order to achieve that goal as well as to promote collaborative practices within the mental health community at large, VPH works closely with a variety of providers including but not limited to other inpatient facilities, outpatient practitioners, drug and alcohol treatment programs, community mental health center systems, schools, colleges/universities. VPH also works collaboratively with a variety of community organizations and agencies in order to promote overall awareness, education and support services for individuals and families impacted by mental health.

Examples of community organizations with whom VPH works closely include:

- NAMI Davidson County
- Mental Health America – Middle TN
- Tennessee Suicide Prevention Network
- TN Voices for Children
- TN Department of Mental Health and Substance Abuse Services
- Metro Nashville Public Schools
- NAMI TN
- Alignment Nashville
- Youth Villages
- Centerstone
- Mental Health Cooperative
- Volunteer Behavioral Health
- Davidson County Sheriff's Department/Various Police Departments

17. Access: The applicant must demonstrate an ability and willingness to serve equally all of the patients related to the application of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed service area.

**RESPONSE:** VPH's commitment to serve all patients is demonstrated by its acceptance of involuntary admissions and the high proportion of its patients who are covered by TennCare or who are indigent. This project will enhance VPH's ability to serve all its patients, including those who have medical conditions treated at VUH. Patients at VPH have access to a comprehensive continuum of care including adolescent and adult partial hospitalization programs; outpatient clinics and school-based programs; and the neuromodulation program. VPH also offers a unique service that VPH's patients have access to is the Psychiatric Assessment Service (PAS). This service is a 24/7 access and admissions service that provides timely assistance by specially trained mental health professionals and access to a psychiatrist

around the clock. The PAS team also serves to provide crisis assessment services at the emergency departments located at MCJCHV and VUH to address the emergent behavioral health needs of patients of all ages.

18. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

**RESPONSE:** As part of VUMC, VPH is licensed by the State of Tennessee, Department of Health Facilities, Licensure Division. In addition, please see Attachment Contribution to the Orderly Development of Healthcare.4A for VUMC's recent Joint Commission certificate. VUMC, and thus VPH, is in good standing with both organizations.

19. Data Requirements: Applicants shall agree to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

**RESPONSE:** VUMC, and thus VPH, provide all requested information to state agencies in a timely manner.

#### **CONTINUE, STANDARD APPLICATION**

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

**RESPONSE:** VPH continues to experience significant growth in demand for inpatient programs, adolescent and adult partial hospitalization programs and outpatient clinics. VPH also continues to partner with other mental health providers throughout the region to extend the programs in to communities where appropriate. The addition of these 14-beds will continue to support the clinical growth of the VPH.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable.

**RESPONSE:** The service area for this project is comprised of the forty-one counties in middle Tennessee. This is reasonable given that approximately 86% of VPH's patients are from these counties.

Please complete the following tables, if applicable:

| Service Area<br>Counties | Historical<br>Discharges | % of Total<br>Discharges | Projected<br>Discharges | % of Total<br>Discharges |
|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| BEDFORD                  | 28                       | 1%                       | 32                      | 1%                       |
| CANNON                   | 11                       | 0%                       | 13                      | 0%                       |
| CHEATHAM                 | 73                       | 2%                       | 84                      | 2%                       |
| CLAY                     | 3                        | 0%                       | 3                       | 0%                       |
| COFFEE                   | 22                       | 1%                       | 25                      | 1%                       |
| CUMBERLAND               | 4                        | 0%                       | 5                       | 0%                       |
| DAVIDSON                 | 1,714                    | 44%                      | 1,979                   | 44%                      |
| DEKALB                   | 11                       | 0%                       | 13                      | 0%                       |
| DICKSON                  | 57                       | 1%                       | 66                      | 1%                       |
| FENTRESS                 | 1                        | 0%                       | 1                       | 0%                       |
| FRANKLIN                 | 12                       | 0%                       | 14                      | 0%                       |
| GILES                    | 16                       | 0%                       | 18                      | 0%                       |
| HICKMAN                  | 37                       | 1%                       | 43                      | 1%                       |
| HOUSTON                  | 9                        | 0%                       | 10                      | 0%                       |
| HUMPHREYS                | 13                       | 0%                       | 15                      | 0%                       |
| JACKSON                  | 5                        | 0%                       | 6                       | 0%                       |
| LAWRENCE                 | 34                       | 1%                       | 39                      | 1%                       |
| LEWIS                    | 6                        | 0%                       | 7                       | 0%                       |
| LINCOLN                  | 10                       | 0%                       | 12                      | 0%                       |
| MACON                    | 10                       | 0%                       | 12                      | 0%                       |
| MARSHALL                 | 21                       | 1%                       | 24                      | 1%                       |
| MAURY                    | 94                       | 2%                       | 109                     | 2%                       |
| MONTGOMERY               | 163                      | 4%                       | 188                     | 4%                       |
| OVERTON                  | 7                        | 0%                       | 8                       | 0%                       |
| PERRY                    | 3                        | 0%                       | 3                       | 0%                       |
| PUTNAM                   | 36                       | 1%                       | 42                      | 1%                       |
| ROBERTSON                | 86                       | 2%                       | 99                      | 2%                       |
| RUTHERFORD               | 215                      | 6%                       | 248                     | 6%                       |
| SMITH                    | 22                       | 1%                       | 25                      | 1%                       |
| STEWART                  | 3                        | 0%                       | 3                       | 0%                       |
| SUMNER                   | 161                      | 4%                       | 186                     | 4%                       |
| TROUSDALE                | 7                        | 0%                       | 8                       | 0%                       |
| WARREN                   | 19                       | 0%                       | 22                      | 0%                       |
| WAYNE                    | 3                        | 0%                       | 3                       | 0%                       |
| WHITE                    | 3                        | 0%                       | 3                       | 0%                       |
| WILLIAMSON               | 266                      | 7%                       | 307                     | 7%                       |
| WILSON                   | 147                      | 4%                       | 170                     | 4%                       |
| OTHER                    | 538                      | 14%                      | 621                     | 14%                      |
| TOTAL                    | 3,870                    | 100%                     | 4,468                   | 100%                     |

## County Level Map



4. A. 1) Describe the demographics of the population to be served by the proposal.

**RESPONSE:** The demographics of the service area will be adults ages 18-64 and will be similar to VPH's current patient population, including TennCare and indigent population.

- 2) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

**RESPONSE:** Please see the completed chart.



| Demographic Variable/Geographic Area | Department of Health/Health Statistics |                                      |                           |                                 |  |                             |  | Bureau of the Census |                              |                            |  |                                    | TennCare                                     |  |
|--------------------------------------|--|--------------------------------------|---------------------------|---------------------------------|--|-----------------------------|--|----------------------|------------------------------|----------------------------|--|------------------------------------|--|--|
|                                      | Total Population-Current Year 2018     | Total Population-Projected Year 2022 | Total Population-% Change | *Target Population-Current Year | *Target Population-Projected Year 2022 | *Target Population-% Change | Target Population Projected Year as % of Total | Median Age 2016      | Median Household Income 2016 | Person Below Poverty Level | Person Below Poverty Level as % of Total | TennCare Enrollees - November 2017 | TennCare Enrollees as % of Total (Nov. 2017) | TennCare enrollees as % of 2016 Total Population |
| Bedford                              | 50,860                                 | 53,067                               | 4%                        | 22,754                          | 30,313                                 | 33%                         | 57%  | 36.9                 | \$ 43,819                    | 7,423                      | 15%                                      | 12,848                             |  | 25%  |
| Cannon                               | 14,658                                 | 15,241                               | 4%                        | 6,408                           | 8,833                                  | 38%                         | 58%  | 42.1                 | \$ 43,654                    | 2,208                      | 15%                                      | 3,199                              |  | 22%  |
| Cheatham                             | 41,269                                 | 42,699                               | 3%                        | 16,915                          | 25,784                                 | 52%                         | 60%  | 40.2                 | \$ 53,179                    | 5,061                      | 12%                                      | 7,245                              |  | 18%  |
| Clay                                 | 7,876                                  | 7,862                                | 0%                        | 3,728                           | 4,134                                  | 11%                         | 53%  | 47.4                 | \$ 28,147                    | 1,904                      | 24%                                      | 2,154                              |  | 27%  |
| Coffee                               | 56,909                                 | 58,799                               | 3%                        | 25,803                          | 32,996                                 | 28%                         | 56%  | 40.1                 | \$ 45,456                    | 8,437                      | 15%                                      | 13,787                             |  | 24%  |
| Cumberland                           | 63,778                                 | 67,303                               | 6%                        | 35,570                          | 31,733                                 | -11%                        | 47%  | 50.1                 | \$ 40,123                    | 9,075                      | 14%                                      | 12,809                             |  | 20%  |
| Davidson                             | 698,061                                | 730,404                              | 5%                        | 275,319                         | 455,085                                | 65%                         | 62%  | 34.2                 | \$ 50,484                    | 114,238                    | 16%                                      | 142,702                            |  | 20%  |
| DeKalb                               | 19,936                                 | 20,472                               | 3%                        | 8,960                           | 11,512                                 | 28%                         | 56%  | 40.9                 | \$ 37,640                    | 4,152                      | 21%                                      | 5,270                              |  | 26%  |
| Dickson                              | 54,959                                 | 57,402                               | 4%                        | 23,843                          | 33,559                                 | 41%                         | 58%  | 40                   | \$ 47,137                    | 8,019                      | 15%                                      | 11,110                             |  | 20%  |
| Fentress                             | 19,082                                 | 19,600                               | 3%                        | 8,937                           | 10,663                                 | 19%                         | 54%  | 44.3                 | \$ 31,714                    | 4,107                      | 22%                                      | 6,048                              |  | 32%  |
| Franklin                             | 42,395                                 | 43,318                               | 2%                        | 18,753                          | 24,565                                 | 31%                         | 57%  | 41.9                 | \$ 44,837                    | 6,397                      | 15%                                      | 8,003                              |  | 19%  |
| Giles                                | 30,492                                 | 30,883                               | 1%                        | 13,727                          | 17,156                                 | 25%                         | 56%  | 42.9                 | \$ 40,635                    | 4,721                      | 15%                                      | 6,514                              |  | 21%  |
| Grundy                               | 14,040                                 | 14,139                               | 1%                        | 6,774                           | 7,365                                  | 9%                          | 52%  | 43                   | \$ 28,467                    | 3,718                      | 26%                                      | 4,565                              |  | 33%  |
| Hickman                              | 26,876                                 | 27,854                               | 4%                        | 11,042                          | 16,812                                 | 52%                         | 60%  | 40.4                 | \$ 37,546                    | 5,181                      | 19%                                      | 6,116                              |  | 23%  |
| Houston                              | 9,014                                  | 9,294                                | 3%                        | 4,218                           | 5,076                                  | 20%                         | 55%  | 43.5                 | \$ 40,680                    | 1,672                      | 19%                                      | 2,000                              |  | 22%  |
| Humphreys                            | 19,090                                 | 19,251                               | 1%                        | 8,509                           | 10,742                                 | 26%                         | 56%  | 41.7                 | \$ 40,995                    | 3,308                      | 17%                                      | 4,483                              |  | 23%  |
| Jackson                              | 12,251                                 | 12,479                               | 2%                        | 5,560                           | 6,919                                  | 24%                         | 55%  | 46.1                 | \$ 32,676                    | 2,835                      | 23%                                      | 2,944                              |  | 24%  |
| Lawrence                             | 43,518                                 | 44,327                               | 2%                        | 19,754                          | 24,573                                 | 24%                         | 55%  | 39.9                 | \$ 40,457                    | 8,136                      | 19%                                      | 10,850                             |  | 25%  |
| Lewis                                | 12,912                                 | 13,215                               | 2%                        | 5,954                           | 7,261                                  | 22%                         | 55%  | 43.6                 | \$ 36,920                    | 2,384                      | 18%                                      | 3,010                              |  | 23%  |
| Lincoln                              | 35,104                                 | 35,821                               | 2%                        | 15,810                          | 20,011                                 | 27%                         | 56%  | 42.9                 | \$ 41,038                    | 6,123                      | 17%                                      | 7,672                              |  | 22%  |
| Macon                                | 23,838                                 | 24,562                               | 3%                        | 10,450                          | 14,112                                 | 35%                         | 57%  | 39.6                 | \$ 34,098                    | 4,167                      | 17%                                      | 6,886                              |  | 29%  |
| Marshall                             | 33,885                                 | 35,224                               | 4%                        | 14,873                          | 20,351                                 | 37%                         | 58%  | 39.6                 | \$ 44,900                    | 4,655                      | 14%                                      | 6,948                              |  | 21%  |
| Maury                                | 90,666                                 | 95,170                               | 5%                        | 40,915                          | 54,255                                 | 33%                         | 57%  | 39.1                 | \$ 49,597                    | 12,413                     | 14%                                      | 18,704                             |  | 21%  |
| Montgomery                           | 211,602                                | 230,440                              | 9%                        | 93,096                          | 137,344                                | 48%                         | 60%  | 30.3                 | \$ 51,528                    | 28,232                     | 13%                                      | 37,175                             |  | 18%  |
| Moore                                | 6,923                                  | 7,169                                | 4%                        | 3,123                           | 4,046                                  | 30%                         | 56%  | 46.5                 | \$ 49,496                    | 644                        | 9%                                       | 841                                |  | 12%  |
| Overton                              | 23,885                                 | 24,682                               | 3%                        | 11,067                          | 13,615                                 | 23%                         | 55%  | 42.6                 | \$ 35,065                    | 4,340                      | 18%                                      | 5,162                              |  | 22%  |
| Perry                                | 8,362                                  | 8,550                                | 2%                        | 4,039                           | 4,511                                  | 12%                         | 53%  | 43.3                 | \$ 31,274                    | 2,216                      | 27%                                      | 2,084                              |  | 25%  |
| Pickett                              | 5,237                                  | 5,348                                | 2%                        | 2,641                           | 2,707                                  | 2%                          | 51%  | 49.8                 | \$ 39,014                    | 827                        | 16%                                      | 1,092                              |  | 21%  |
| Putnam                               | 81,972                                 | 85,783                               | 5%                        | 35,514                          | 50,269                                 | 42%                         | 59%  | 36.1                 | \$ 36,350                    | 17,180                     | 21%                                      | 17,516                             |  | 21%  |
| Robertson                            | 76,231                                 | 81,065                               | 6%                        | 33,782                          | 47,283                                 | 40%                         | 58%  | 38.5                 | \$ 56,331                    | 7,067                      | 9%                                       | 13,634                             |  | 18%  |
| Rutherford                           | 332,411                                | 368,752                              | 11%                       | 137,632                         | 231,120                                | 68%                         | 63%  | 32.9                 | \$ 58,032                    | 35,764                     | 11%                                      | 51,882                             |  | 16%  |
| Smith                                | 20,534                                 | 21,119                               | 3%                        | 8,709                           | 12,410                                 | 42%                         | 59%  | 41.2                 | \$ 44,272                    | 3,050                      | 15%                                      | 4,374                              |  | 21%  |
| Stewart                              | 14,210                                 | 14,593                               | 3%                        | 6,379                           | 8,214                                  | 29%                         | 56%  | 43.4                 | \$ 41,835                    | 2,520                      | 18%                                      | 3,120                              |  | 22%  |
| Sumner                               | 184,532                                | 195,970                              | 6%                        | 80,162                          | 115,808                                | 44%                         | 59%  | 39.5                 | \$ 58,972                    | 16,543                     | 9%                                       | 29,330                             |  | 16%  |
| Trousdale                            | 8,564                                  | 8,908                                | 4%                        | 3,619                           | 5,289                                  | 46%                         | 59%  | 39                   | \$ 47,667                    | 1,043                      | 12%                                      | 2,093                              |  | 24%  |
| Van Buren                            | 5,668                                  | 5,804                                | 2%                        | 2,708                           | 3,096                                  | 14%                         | 53%  | 45.8                 | \$ 42,813                    | 1,058                      | 19%                                      | 1,372                              |  | 24%  |
| Warren                               | 41,167                                 | 41,726                               | 1%                        | 18,148                          | 23,578                                 | 30%                         | 57%  | 39.9                 | \$ 36,245                    | 8,158                      | 20%                                      | 11,395                             |  | 28%  |
| Wayne                                | 17,551                                 | 17,818                               | 2%                        | 6,635                           | 11,183                                 | 69%                         | 63%  | 41.9                 | \$ 34,008                    | 2,796                      | 16%                                      | 3,326                              |  | 19%  |
| White                                | 28,037                                 | 29,016                               | 3%                        | 12,905                          | 16,111                                 | 25%                         | 56%  | 43.5                 | \$ 35,989                    | 4,662                      | 17%                                      | 7,301                              |  | 26%  |
| Williamson                           | 225,526                                | 257,635                              | 14%                       | 102,313                         | 155,322                                | 52%                         | 60%  | 39                   | \$ 100,140                   | 10,547                     | 5%                                       | 12,650                             |  | 6%   |
| Wilson                               | 133,865                                | 145,698                              | 9%                        | 59,184                          | 86,514                                 | 46%                         | 59%  | 40.3                 | \$ 63,426                    | 11,266                     | 8%                                       | 19,477                             |  | 15%  |
| Service Area Total                   | 2,847,746                              | 3,028,462                            | 6%                        | 1,226,232                       | 1,802,230                              | 47%                         | 60%  | 41.3                 | \$ 43,821                    | 388,247                    | 14%                                      | 529,691                            |  | 19%  |
| State of TN Total                    | 6,960,524                              | 7,263,893                            | 4%                        | 4,191,227                       | 4,261,733                              | 2%                          | 59%  | 38.5                 | \$ 46,574                    | 1,100,169                  | 16%                                      | 1,461,291                          |  | 21%  |

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**RESPONSE:** The special needs of the population are psychiatric patients, including racial and ethnic minorities as well as TennCare and indigent populations.

- Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

**RESPONSE:** The data provided in this application was extracted from the 2014-2016 Joint Annual Report (JAR) of Hospitals.

| County      | Facility Name  | Licensed Beds |      |       | Total Inpatient Admissions |        |        | Total Inpatient Days |         |         | Average Length of Stay |       |      | Average Daily Census |      |      | Licensed Occupancy Rate |       |       |
|-------------|--|---------------|------|-------|----------------------------|--------|--------|----------------------|---------|---------|------------------------|-------|------|----------------------|------|------|-------------------------|-------|-------|
|             |  | 2014          | 2015 | 2016  | 2014                       | 2015   | 2016   | 2014                 | 2015    | 2016    | 2014                   | 2015  | 2016 | 2014                 | 2015 | 2016 | 2014                    | 2015  | 2016  |
| Cannon      | Saint Thomas Stones River Hospital, LLC                  | 22            | 22   | 22    | 236                        | 270    | 271    | 2,933                | 3,675   | 3,458   | 12.4                   | 13.6  | 12.8 | 8                    | 10   | 9    | 36.5%                   | 45.8% | 43.1% |
| Clay        | Cumberland River Hospital                                | 8             | 8    | 8     | 100                        | 139    | 161    | 1,158                | 1,178   | 1,474   | 11.6                   | 8.5   | 9.2  | 3                    | 3    | 4    | 39.7%                   | 40.3% | 50.5% |
| Davidson    | Middle Tennessee Mental Health Institute                 | 207           | 207  | 300   | 3,642                      | 3,702  | 3,818  | 64,670               | 65,218  | 63,585  | 17.8                   | 17.9  | 16.7 | 177                  | 181  | 174  | 85.6%                   | 87.6% | 58.1% |
|             | Saint Thomas West Hospital                               | 23            | 22   | 22    | 275                        | 189    | 160    | 4,584                | 3,491   | 3,541   | 16.7                   | 19.5  | 22.1 | 13                   | 10   | 10   | 54.6%                   | 46.0% | 44.1% |
|             | Tristar Centennial Medical Center                        | 132           | 132  | 132   | 4,356                      | 3,104  | 2,031  | 39,516               | 31,350  | 24,345  | 9.1                    | 10.1  | 12.0 | 108                  | 86   | 67   | 82.0%                   | 65.1% | 50.5% |
|             | Tristar Skyline Madison Campus                           | 121           | 121  | 152   | 3,571                      | 3,871  | 3,476  | 29,816               | 29,116  | 23,925  | 8.3                    | 7.5   | 6.9  | 82                   | 80   | 66   | 67.5%                   | 65.9% | 43.1% |
|             | Vanderbilt University Medical Center                     | 88            | 88   | 88    | 3,646                      | 3,688  | 3,770  | 28,258               | 27,324  | 27,520  | 7.8                    | 7.4   | 7.3  | 77                   | 75   | 75   | 88.0%                   | 85.1% | 85.7% |
| Fentless    | Tennova Healthcare Jamestown                             | 10            | 10   | 10    | 0                          | 0      | 171    | 2,146                | 1,882   | 1,635   | -                      | -     | 9.6  | 6                    | 5    | 4    | 58.8%                   | 51.6% | 44.8% |
| Franklin    | Southern Tennessee Regional Health System - Winchester   | 12            | 12   | 12    | 228                        | 251    | 198    | 3,613                | 3,222   | 3,295   | 15.8                   | 12.8  | 16.6 | 10                   | 9    | 9    | 62.5%                   | 73.6% | 75.2% |
| Giles       | Southern Tennessee Regional Health System Pulaski        | 14            | 14   | 14    | 181                        | 170    | 175    | 2,470                | 2,584   | 2,477   | 13.6                   | 15.2  | 14.2 | 7                    | 7    | 7    | 48.3%                   | 50.6% | 48.5% |
| Lincoln     | Lincoln Medical Center                                   | 10            | 10   | 0     | 184                        | 141    | 0      | 2,709                | 2,096   | 0       | 14.7                   | 14.9  | -    | 7                    | 6    | -    | 74.2%                   | 57.4% | -     |
| Maury       | Behavioral Healthcare Center at Columbia                 | 16            | 16   | 16    | 32                         | 20     | 330    | 326                  | 361     | 3,606   | 10.2                   | 18.1  | 10.9 | 1                    | 1    | 10   | 5.6%                    | 6.2%  | 61.7% |
| Montgomery  | Behavioral Healthcare Center at Clarksville              | 26            | 26   | 26    | 321                        | 275    | 303    | 5,213                | 4,109   | 5,433   | 16.2                   | 14.9  | 17.9 | 14                   | 11   | 15   | 54.9%                   | 43.3% | 57.2% |
| Overton     | Livingston Regional Hospital                             | 10            | 10   | 10    | 226                        | 198    | 240    | 2,776                | 3,101   | 2,806   | 12.3                   | 15.7  | 11.7 | 8                    | 8    | 8    | 76.1%                   | 65.0% | 76.9% |
| Perry       | Perry Community Hospital                                 | 14            | 14   | 14    | 194                        | 157    | 192    | 2,278                | 1,869   | 2,284   | 11.7                   | 11.9  | 11.9 | 6                    | 5    | 6    | 44.6%                   | 36.6% | 44.7% |
| Fulham      | Cookeville Regional Medical Center/ Ten Broeck Tennessee | 32            | 32   | 32    | 879                        | 998    | 1,169  | 5,060                | 5,770   | 7,181   | 5.8                    | 5.8   | 6.1  | 14                   | 16   | 20   | 43.3%                   | 49.4% | 61.5% |
| Rutherford  | Trustpoint Hospital                                      | 59            | 72   | 72    | 1,861                      | 2,139  | 2,705  | 14,959               | 19,710  | 24,237  | 8.0                    | 9.2   | 9.0  | 41                   | 54   | 66   | 69.5%                   | 75.0% | 92.2% |
| Smith       | Riverview Regional Medical Center South                  | 10            | 10   | 10    | 200                        | 194    | 170    | 2,625                | 2,560   | 2,630   | 13.1                   | 13.2  | 15.5 | 7                    | 7    | 7    | 71.9%                   | 70.1% | 72.1% |
| Sumner      | Sumner Regional Medical Center                           | 12            | 12   | 12    | 137                        | 132    | 155    | 3,018                | 3,323   | 2,749   | 22.0                   | 25.2  | 17.7 | 8                    | 9    | 8    | 68.9%                   | 75.9% | 62.8% |
| Warren      | Saint Thomas River Park Hospital                         | 0             | 10   | 10    | 0                          | 78     | 142    | 0                    | 78      | 1,508   | -                      | 1.0   | 10.6 | -                    | 0    | 4    | -                       | 2.1%  | 41.3% |
| White       | Saint Thomas Highlands Hospital, LLC                     | 10            | 10   | 10    | 220                        | 277    | 271    | 2,821                | 3,080   | 3,069   | 12.8                   | 11.1  | 11.3 | 8                    | 8    | 8    | 77.3%                   | 84.4% | 84.1% |
| Williamson  | Rolling Hills Hospital Behavioral Health Care            | 85            | 85   | 120   | 3,162                      | 3,191  | 3,901  | 24,490               | 25,078  | 30,377  | 7.7                    | 7.9   | 7.8  | 67                   | 69   | 83   | 78.9%                   | 80.8% | 69.4% |
| Wilson      | McFarland Specialty Hospital                             | 49            | 49   | 49    | 858                        | 4      | 622    | 6,889                | 815     | 5,033   | 8.0                    | 203.8 | 8.1  | 19                   | 2    | 14   | 36.5%                   | 4.6%  | 26.1% |
| Grand Total |  | 970           | 992  | 1,141 | 24,509                     | 23,188 | 24,431 | 252,928              | 242,190 | 246,168 |                        |       |      |                      |      |      | 68.6%                   | 58.6% | 49.6% |

Unimplemented projects include (1) Tristar Maury Regional Behavioral Healthcare, a 60-bed facility in Columbia, TN; and (2) an 88-bed addition to Trustpoint Hospital in Murfreesboro.

- Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

**RESPONSE:** As evident from the chart below, VPH continues to experience exceedingly high occupancy rates year over year well above the 80% threshold recommended in the State Health Plan. In fact, during FY17, VPH's occupancy was 91% with eight (8) months VPH experience occupancy rates higher than 90% with the other four (4) months over 86% occupancy. In June 2017, VPH received approval from the Board of Licensing for Health Care Facilities to exercise the 10% option to increase each bed category (pediatric and adult). VPH opened four (4) beds in September 2017. These four (4) beds attributed to a minimal decrease in occupancy. Even with this addition, VPH continues to exceed capacity guidelines. The chart provided below demonstrates the occupancy rates for the last three years as well as the two years after

the projection completion.

|                   | FY15          | FY16          | FY17          | Y1            | Y2            |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Beds</b>       | <b>88</b>     | <b>88</b>     | <b>88</b>     | <b>106</b>    | <b>106</b>    |
| <b>Discharges</b> | <b>3,688</b>  | <b>3,770</b>  | <b>3,870</b>  | <b>4,468</b>  | <b>4,489</b>  |
| <b>Days</b>       | <b>27,324</b> | <b>27,520</b> | <b>29,321</b> | <b>33,503</b> | <b>33,668</b> |
| <b>Occupancy</b>  | <b>85%</b>    | <b>85%</b>    | <b>91%</b>    | <b>87%</b>    | <b>87%</b>    |

The demand projections for Y1 and Y2 of this project were based on historical inpatient discharges coupled with patients presenting to the emergency department suffering from psychiatric illnesses. VPH believes these are reasonably conservative projections.

## ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
  - A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)
  - B. The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or “per click” arrangements. The methodology used to determine the total lease cost for a “per click” arrangement must include, at a minimum, the projected procedures, the “per click” rate and the term of the lease.
  - C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
  - D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.
  - E. For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following: **Attachment C, Economic Feasibility.1.E.**
    - 1) A general description of the project;
    - 2) An estimate of the cost to construct the project;
    - 3) A description of the status of the site’s suitability for the proposed project; and
    - 4) Attesting the physical environment will conform to applicable federal standards, manufacturer’s specifications and licensing agencies’ requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

# PROJECT COST CHART

|  |   |                           |
|--|---|---------------------------|
| <b>A. Construction and equipment acquired by purchase:</b> |   |                           |
| 1.   | Architectural and Engineering Fees  | <u>\$585,000</u>          |
| 2.   | Legal, Administrative (Excluding CON Filing Fee), Consultant Fees             | <u>\$10,000</u>           |
| 3.   | Acquisition of Site   | <u>-</u>                  |
| 4.   | Preparation of Site   | <u>-</u>                  |
| 5.   | Total Construction Costs  | <u>\$3,000,000</u>        |
| 6.   | Contingency Fund  | <u>\$150,000</u>          |
| 7.   | Fixed Equipment (Not included in Construction Contract)                       | <u>\$204,235</u>          |
| 8.   | Moveable Equipment (List all equipment over \$50,000 as separate attachments) | <u>\$240,785</u>          |
| 9.   | Other (Specify) _____   | <u>-</u>                  |
| <b>B. Acquisition by gift, donation, or lease:</b>         |   |                           |
| 1.   | Facility (inclusive of building and land)                                     | <u>-</u>                  |
| 2.   | Building only   | <u>-</u>                  |
| 3.   | Land only   | <u>-</u>                  |
| 4.   | Equipment (Specify) _____   | <u>-</u>                  |
| 5.   | Other (Specify) _____   | <u>-</u>                  |
| <b>C. Financing Costs and Fees:</b>                        |   |                           |
| 1.   | Interim Financing   | <u>-</u>                  |
| 2.   | Underwriting Costs  | <u>-</u>                  |
| 3.   | Reserve for One Year's Debt Service   | <u>-</u>                  |
| 4.   | Other (Specify) _____   | <u>-</u>                  |
| <b>D.</b>  | <b>Estimated Project Cost (A+B+C)</b>   | <b><u>\$4,190,020</u></b> |
| <b>E.</b>  | <b>CON Filing Fee</b>   | <b><u>\$24,093</u></b>    |
| <b>F.</b>  | <b>Total Estimated Project Cost (D+E)</b>                                     | <b><u>\$4,214,113</u></b> |
|  | <b>TOTAL</b>  | <b><u>\$4,214,113</u></b> |

2. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

- ☐ A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ D. Grants – Notification of intent form for grant application or notice of grant award;
- ☒ E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ F. Other – Identify and document funding from all other sources.

3. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

## HISTORICAL DATA CHART

**X Total Facility**

☐ Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July (Month).

|  | 2015            | 2016            | 2017            |
|--|-----------------|-----------------|-----------------|
| Utilization Data (Patient Days)                  | 305,953         | 309,173         | 314,379         |
| <b><u>Revenues from Services to Patients</u></b> |                 |                 |                 |
| Inpatient Services                               | \$3,357,544,947 | \$3,895,270,022 | \$4,153,845,366 |
| Outpatient Services                              | \$3,043,106,365 | \$3,668,282,596 | \$4,102,657,333 |
| Emergency Services                               | \$271,179,568   | \$273,729,532   | \$290,053,002   |
| Other Operating Revenue                          | \$23,650,047    | \$39,131,317    | \$38,965,098    |
| Gross Operating Revenue                          | \$6,695,480,927 | \$7,876,413,467 | \$8,585,520,799 |
| <b><u>Deductions from Revenue</u></b>            |                 |                 |                 |
| Contractual Adjustments                          | (4,143,680,213) | (5,067,956,904) | (5,532,929,248) |
| Provision for Charity Care                       | (297,840,450)   | (268,739,919)   | (228,583,935)   |
| Provisions for Bad Debt                          | (28,094,171)    | (56,768,208)    | (92,653,896)    |
| Total Deductions                                 | (4,469,614,834) | (5,393,465,031) | (5,854,167,079) |
| <b><u>Net Operating Revenue</u></b>              | \$2,225,866,093 | \$2,482,948,436 | \$2,731,353,720 |
| <b><u>Operating Expenses</u></b>                 |                 |                 |                 |
| Salaries and Wages                               |                 |                 |                 |
| a. Direct Patient Care                           | \$313,972,671   | \$318,149,846   | \$326,787,644   |
| b. Non-Patient Care                              | \$268,960,254   | \$307,493,692   | \$327,657,385   |
| Physician's Salaries and Wages                   | \$134,390,817   | \$149,278,555   | \$158,667,282   |
| Supplies   | \$537,997,860   | \$590,516,375   | \$637,444,798   |
| Rent   |                 |                 | \$0             |
| a. Paid to Affiliates                            |                 | \$1,137,208     | \$0             |
| b. Paid to Non-Affiliates                        | \$23,365,060    | \$17,765,104    | \$22,750,241    |
| Management Fees                                  |                 |                 | \$0             |
| a. Paid to Affiliates                            |                 |                 | \$0             |
| b. Paid to Non-Affiliates                        |                 |                 | \$0             |
| Other Operating Expenses                         | \$622,311,499   | \$709,284,026   | \$802,001,632   |
| Total Operating Expenses                         | \$1,900,998,161 | \$2,093,624,806 | \$2,275,308,982 |
| Earnings Before Interest, Taxes and Depr         | \$324,867,932   | \$389,323,630   | \$456,044,738   |
| <b><u>Non-Operating Expenses</u></b>             |                 |                 |                 |
| Taxes  | \$1,398,512     | \$1,168,485     | \$1,405,978     |
| Depreciation                                     | \$63,755,020    | \$61,782,354    | \$55,229,794    |
| Interest   | \$52,746,873    | \$44,013,121    | \$33,574,158    |
| Other Non-Operatng Expenses                      | (30,269,068)    | (1,553,366)     | (1,011,267)     |
| Total Non-Operating Expenses                     | \$87,631,337    | \$105,410,594   | \$89,198,663    |
| Net Income (loss)                                | \$237,236,595   | \$283,913,036   | \$366,846,075   |
| <b><u>Other Deductions</u></b>                   |                 |                 |                 |
| a. Annual Principal Debt Repayment               | \$21,659,698    | \$17,851,907    | \$3,559,287     |
| b. Annual Capital Expenditures                   | \$45,618,640    | \$51,560,642    | \$60,325,910    |
| Total Other Deductions                           | \$67,278,338    | \$69,412,549    | \$63,885,197    |
| Net Balance                                      | \$169,958,257   | \$214,500,487   | \$302,960,878   |
| Depreciation                                     | \$63,755,020    | \$61,782,354    | \$55,229,794    |
| Free Cash Flow (Net Balance + Depreciation)      | \$233,713,277   | \$276,282,841   | \$358,190,672   |

|  | 2015                  | 2016                  | 2017                  |
|--|-----------------------|-----------------------|-----------------------|
| General a Report:CON - Certificate of Need | \$ 264,638,505        | \$ 317,767,605        | \$ 436,103,219        |
| Fringe Benefits                            | \$ 165,037,898        | \$ 187,770,689        | \$ 204,640,421        |
| Interest/ Lease                            | \$ -                  | \$ -                  | \$ -                  |
| Equipment and Machinery                    | \$ 6,875,270          | \$ 9,484,344          | \$ 11,767,884         |
| Laundry and Housekeeping                   | \$ -                  | \$ -                  | \$ -                  |
| Plant Operations                           | \$ 88,618,676         | \$ 86,943,388         | \$ 97,118,389         |
| Purchased Services                         | \$ 97,141,150         | \$ 107,318,000        | \$ 52,371,719         |
|  | <u>\$ 622,311,499</u> | <u>\$ 709,284,026</u> | <u>\$ 802,001,632</u> |

## HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July (Month).

|  | 2015         | 2016         | 2017         |
|--|--------------|--------------|--------------|
| Utilization Data (Patient Days)                  | 27,324       | 27,520       | 29,321       |
| <b><u>Revenues from Services to Patients</u></b> |              |              |              |
| Inpatient Services                               | \$62,881,235 | \$73,039,071 | \$82,875,439 |
| Outpatient Services                              | \$5,051,474  | \$7,455,891  | \$9,724,602  |
| Emergency Services                               | \$0          | \$0          | \$0          |
| Other Operating Revenue                          | \$258,364    | \$258,000    | \$258,000    |
| Gross Operating Revenue                          | \$68,191,073 | \$80,752,962 | \$92,858,041 |
| <b><u>Deductions from Revenue</u></b>            |              |              |              |
| Contractual Adjustments                          | (35,181,260) | (45,800,241) | (60,558,057) |
| Provision for Charity Care                       | (721,182)    | (790,626)    | (927,761)    |
| Provisions for Bad Debt                          | (5,599,868)  | (4,533,893)  | (4,232,691)  |
| Total Deductions                                 | (41,502,310) | (51,124,760) | (65,718,509) |
| <b><u>Net Operating Revenue</u></b>              | \$26,688,763 | \$29,628,202 | \$27,139,532 |
| <b><u>Operating Expenses</u></b>                 |              |              |              |
| Salaries and Wages                               |              |              |              |
| a. Direct Patient Care                           | \$7,776,515  | \$8,343,418  | \$9,114,839  |
| b. Non-Patient Care                              | \$3,572,153  | \$3,481,871  | \$4,234,261  |
| Physician's Salaries and Wages                   | \$655,101    | \$2,658,897  | \$3,100,868  |
| Supplies   | \$677,129    | \$761,339    | \$713,276    |
| Rent   | \$0          | \$0          | \$0          |
| a. Paid to Affiliates                            | \$0          | \$0          | \$0          |
| b. Paid to Non-Affiliates                        | \$0          | \$0          | \$0          |
| Management Fees                                  | \$0          | \$0          | \$0          |
| a. Paid to Affiliates                            | \$0          | \$0          | \$0          |
| b. Paid to Non-Affiliates                        | \$0          | \$0          | \$0          |
| Other Operating Expenses                         | \$10,482,051 | \$11,272,693 | \$13,829,593 |
| Total Operating Expenses                         | \$23,162,949 | \$26,518,218 | \$30,992,837 |
| Earnings Before Interest, Taxes and Depr         | \$3,525,814  | \$3,109,984  | (3,853,305)  |
| <b><u>Non-Operating Expenses</u></b>             |              |              |              |
| Taxes  | \$0          | \$0          | \$0          |
| Depreciation                                     | \$744,330    | \$435,361    | \$477,674    |
| Interest   | \$180,948    | \$135,855    | \$212,798    |
| Other Non-Operatng Expenses                      | (1,010)      | (560)        | (515)        |
| Total Non-Operating Expenses                     | \$924,268    | \$570,656    | \$689,957    |
| Net Income (loss)                                | \$2,601,546  | \$2,539,328  | (4,543,262)  |
| <b><u>Other Deductions</u></b>                   |              |              |              |
| a. Annual Principal Debt Repayment               | \$0          | \$0          | \$0          |
| b. Annual Capital Expenditures                   | \$66,339     | \$1,060,857  | \$402,885    |
| Total Other Deductions                           | \$66,339     | \$1,060,857  | \$402,885    |
| Net Balance                                      | \$2,535,207  | \$1,478,471  | (4,946,147)  |
| Depreciation                                     | \$744,330    | \$435,361    | \$477,674    |
| Free Cash Flow (Net Balance + Depreciation)      | \$3,279,537  | \$1,913,832  | (4,468,473)  |



|                            | 2015                 | 2016                 | 2017                 |
|----------------------------|----------------------|----------------------|----------------------|
| Other Operating Expenses   |                      |                      |                      |
| General and Administrative | \$ 3,514,210         | \$ 4,105,731         | \$ 6,553,271         |
| Fringe Benefits            | \$ 2,965,871         | \$ 3,342,952         | \$ 3,982,656         |
| Interest/ Lease            | \$ -                 | \$ -                 | \$ -                 |
| Equipment and Machinery    | \$ 46,369            | \$ 39,373            | \$ 78,923            |
| Laundry and Housekeeping   | \$ -                 | \$ -                 | \$ -                 |
| Plant Operations           | \$ 804,530           | \$ 888,557           | \$ 913,079           |
| Purchased Services         | \$ 3,151,071         | \$ 2,896,080         | \$ 2,301,664         |
|                            | <u>\$ 10,482,051</u> | <u>\$ 11,272,693</u> | <u>\$ 13,829,593</u> |

4. Complete Projected Data Charts on the following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

## PROJECTED DATA CHART

**X Total Facility**

☐ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July (Month).

|   | 2020                   | 2021                   |
|---|------------------------|------------------------|
| Utilization Data (Patient Days)             | 365,817                | 373,207                |
| <u>Revenues from Services to Patients</u>   |                        |                        |
| Inpatient Services                          | \$4,958,865,277        | \$5,066,777,806        |
| Outpatient Services                         | \$4,445,224,570        | \$4,445,224,570        |
| Emergency Services                          | \$315,073,196          | \$315,073,196          |
| Other Operating Revenue                     | \$39,999,236           | \$39,999,236           |
| Gross Operating Revenue                     | <u>\$9,759,162,279</u> | <u>\$9,867,074,808</u> |
| <u>Deductions from Revenue</u>              |                        |                        |
| Contractual Adjustments                     | (6,289,253,340)        | (6,356,541,778)        |
| Provision for Charity Care                  | (421,366,616)          | (431,200,890)          |
| Provisions for Bad Debt                     | (63,340,916)           | (64,080,251)           |
| Total Deductions                            | <u>(6,773,960,871)</u> | <u>(6,851,822,919)</u> |
| <u>Net Operating Revenue</u>                | \$2,985,201,408        | \$3,015,251,889        |
| <u>Operating Expenses</u>                   |                        |                        |
| Salaries and Wages                          |                        |                        |
| a. Direct Patient Care                      | \$360,976,822          | \$367,326,011          |
| b. Non-Patient Care                         | \$322,558,968          | \$322,565,920          |
| Physician's Salaries and Wages              | \$169,100,550          | \$169,100,550          |
| Supplies                                    | \$682,278,449          | \$688,542,589          |
| Rent  | \$0                    | \$0                    |
| a. Paid to Affiliates                       | \$0                    | \$0                    |
| b. Paid to Non-Affiliates                   | \$23,730,034           | \$23,730,034           |
| Management Fees                             | \$0                    | \$0                    |
| a. Paid to Affiliates                       | \$0                    | \$0                    |
| b. Paid to Non-Affiliates                   | \$0                    | \$0                    |
| Other Operating Expenses                    | \$967,019,441          | \$988,230,127          |
| Total Operating Expenses                    | <u>\$2,525,664,264</u> | <u>\$2,559,495,230</u> |
| Earnings Before Interest, Taxes and Depr    | \$459,537,144          | \$455,756,659          |
| <u>Non-Operating Expenses</u>               |                        |                        |
| Taxes                                       | \$1,376,034            | \$1,376,034            |
| Depreciation                                | \$75,672,458           | \$75,672,458           |
| Interest                                    | \$56,437,980           | \$56,437,980           |
| Other Non-Operatng Expenses                 | (653,789)              | (653,789)              |
| Total Non-Operating Expenses                | <u>\$132,832,683</u>   | <u>\$132,832,683</u>   |
| Net Income (loss)                           | \$326,704,461          | \$322,923,976          |
| <u>Other Deductions</u>                     |                        |                        |
| a. Annual Principal Debt Repayment          | \$6,271,287            | \$6,271,287            |
| b. Annual Capital Expenditures              | \$74,800,000           | \$83,500,000           |
| Total Other Deductions                      | <u>\$81,071,287</u>    | <u>\$89,771,287</u>    |
| Net Balance                                 | \$245,633,174          | \$233,152,689          |
| Depreciation                                | \$75,672,458           | \$75,672,458           |
| Free Cash Flow (Net Balance + Depreciation) | <u>\$321,305,632</u>   | <u>\$308,825,147</u>   |

|                            | 2020                  | 2021                  |
|----------------------------|-----------------------|-----------------------|
| General and Administrative | \$592,134,462         | \$608,924,107         |
| Fringe Benefits            | \$213,369,228         | \$215,602,364         |
| Interest/ Lease            | \$0                   | \$0                   |
| Equipment and Machinery    | \$20,065,020          | \$21,676,538          |
| Laundry and Housekeeping   | \$25,000              | \$25,500              |
| Plant Operations           | \$96,690,971          | \$97,266,858          |
| Purchased Services         | \$44,734,760          | \$44,734,760          |
|                            | <u>\$ 967,019,441</u> | <u>\$ 988,230,127</u> |

## PROJECTED DATA CHART

☐ Total Facility  
☒ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July (Month).

|  | 2020         | 2021         |
|--|--------------|--------------|
| Utilization Data (Patient Days)                          | 4,437        | 4,437        |
| <b>A. <u>Revenues from Services to Patients</u></b>      |              |              |
| 1. Inpatient Services                                    | \$14,500,860 | \$14,645,869 |
| 2. Outpatient Services                                   | \$0          | \$0          |
| 3. Emergency Services                                    | \$0          | \$0          |
| 4. Other Operating Revenue                               | \$0          | \$0          |
| Gross Operating Revenue                                  | \$14,500,860 | \$14,645,869 |
| <b>B. <u>Deductions from Gross Operating Revenue</u></b> |              |              |
| 1. Contractual Adjustments                               | (9,426,866)  | (9,553,749)  |
| 2. Provision for Charity Care                            | (837,944)    | (849,222)    |
| 3. Provisions for Bad Debt                               | (209,486)    | (212,306)    |
| Total Deductions   | (10,474,295) | (10,615,277) |
| <b><u>Net Operating Revenue</u></b>                      | \$4,026,565  | \$4,030,592  |
| <b>D. <u>Operating Expenses</u></b>                      |              |              |
| 1. Salaries and Wages                                    |              |              |
| a. Direct Patient Care                                   | \$986,142    | \$1,005,865  |
| b. Non-Patient Care                                      | \$347,587    | \$354,539    |
| 2. Physician's Salaries and Wages                        | \$367,000    | \$367,000    |
| 3. Supplies  | \$217,000    | \$221,340    |
| 4. Rent  |              |              |
| a. Paid to Affiliates                                    |              |              |
| b. Paid to Non-Affiliates                                | \$0          | \$0          |
| Management Fees  |              |              |
| a. Paid to Affiliates                                    |              |              |
| b. Paid to Non-Affiliates                                |              |              |
| Other Operating Expenses                                 | \$1,494,303  | \$1,254,201  |
| Total Operating Expenses                                 | \$3,412,032  | \$3,202,944  |
| E. Earnings Before Interest, Taxes and Depreciation      | \$614,533    | \$827,648    |
| <b>F. <u>Non-Operating Expenses</u></b>                  |              |              |
| 1. Taxes   | \$0          | \$0          |
| 2. Depreciation  | \$196,750    | \$196,750    |
| 3. Interest  | \$0          | \$0          |
| 4. Other Non-Operating Expenses                          | \$0          | \$0          |
| Total Non-Operating Expenses                             | \$196,750    | \$196,750    |
| Net Income (loss)  | \$417,783    | \$630,898    |
| <b>G. <u>Other Deductions</u></b>                        |              |              |
| 1. Annual Principal Debt Repayment                       | \$0          | \$0          |
| 2. Annual Capital Expenditures                           | \$0          | \$0          |
| Total Other Deductions                                   | \$0          | \$0          |
| Net Balance  | \$417,783    | \$630,898    |
| Depreciation   | \$196,750    | \$196,750    |
| Free Cash Flow (Net Balance + Depreciation)              | \$614,533    | \$827,648    |

## PROJECTED DATA CHART

☐ Total Facility  
☒ Project Only

|                               | 2020                | 2021                |
|-------------------------------|---------------------|---------------------|
| OTHER EXPENSE CATEGORIES      |                     |                     |
| 1. General and Administrative | \$ 905,593          | \$ 809,188          |
| 2. Fringe Benefits            | \$ 408,836          | \$ 417,013          |
| 3. Interest/ Lease            | \$ -                | \$ -                |
| 4. Equipment and Machinery    | \$ 152,374          | \$ -                |
| 5. Laundry and Housekeeping   | \$ 25,000           | \$ 25,500           |
| 6. Plant Operations           | \$ 2,000            | \$ 2,000            |
| 7. Purchased Services         | \$ 500              | \$ 500              |
| Total Other Expense           | <u>\$ 1,494,303</u> | <u>\$ 1,254,201</u> |

5. A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

|   | Previous Year<br>FY2016 | Current Year<br>FY2017 | Year One<br>FY2020  | Year Two<br>FY2021  | % Change<br>(Current Year<br>to Year 2) |
|---|-------------------------|------------------------|---------------------|---------------------|---|
| <b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )     | \$2,929<br>Per Diem     | \$3,148<br>Per Diem    | \$3,268<br>Per Diem | \$3,301<br>Per Diem | 4.9%                                    |
| <b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )  | \$1,987<br>Per Diem     | \$2,252<br>Per Diem    | \$2,361<br>Per Diem | \$2,393<br>Per Diem | 6.2%                                    |
| <b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> ) | \$942<br>Per Diem       | \$896<br>Per Diem      | \$907<br>Per Diem   | \$908<br>Per Diem   | 1.3%                                    |

- B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

**RESPONSE:** The proposed project will not impact current charges.

- C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**RESPONSE:** Below is the information included in the recent Tristar Maury Regional Behavioral Health CON.

|            |  | Gross Charge | Average Deduction | Average Net Charge |
|------------|--|--------------|-------------------|--------------------|
| CN1610-036 | Tristar Maury Regional Behavioral Health | \$ 4,282     | \$ 3,321          | \$ 961             |

6. A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

**RESPONSE:** This project will have access to sufficient cash flow and will generate a positive EBITDA in year 1.

#### **Attachment C. Economic Feasibility.6**

- B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

| Year                          | 2 <sup>nd</sup> Year<br>previous to<br>Current Year | 1 <sup>st</sup> Year<br>previous to<br>Current Year | Current Year | Projected<br>Year 1 | Projected<br>Year 2 |
|-------------------------------|---|---|--------------|---------------------|---------------------|
| Net Operating<br>Margin Ratio | 14.6%   | 15.7%   | 16.7%        | 15.4%               | 15.1%               |



Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

**RESPONSE:** Please find Capitalization Ratio provided below for June 30, 2017 (\$ in thousands).

|                         |              |
|-------------------------|--------------|
| Long Term Debt (1)      | \$1,191,897  |
| Unrestricted Net Assets | \$ 509,421   |
| Total Capitalization    | \$ 1,701,318 |

Ratio of Long-Term Debt to Capitalization (%) 70.1%

(3) Total outstanding long term debt, including current maturities, excluding the Subordinate Promissory Note from VU.

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

**RESPONSE:** VPH participants in TennCare as evident from the completed chart below.

Applicant's Projected Payor Mix, Year 1

| Payor Source                   | Projected Gross Operating Revenue | As a % of total |
|--------------------------------|-----------------------------------|-----------------|
| Medicare/Medicare Managed Care | \$3,462,180                       | 23.9%           |
| TennCare/Medicaid              | \$3,005,568                       | 20.7%           |
| Commercial/Other Managed Care  | \$4,415,908                       | 30.5%           |
| Self-Pay and Charity Care      | \$1,498,198                       | 10.3%           |
| Other (Third Party/WC)         | \$2,119,042                       | 14.6%           |
| Total                          | 14,500,896                        | 100%            |

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

**RESPONSE:** Please see the completed chart below.

| Position Classification                    | Existing FTEs<br>(enter year) | Projected<br>FTEs<br>Year 1 | Average Wage<br>(Contractual Rate) | Area<br>Wide/Statewide<br>Average Wage |
|--|-------------------------------|-----------------------------|------------------------------------|--|
| <b>A. Direct Patient Care Positions</b>    |                               |                             |                                    |  |
| <i>RN</i>                                  | 67.4                          | 10.0                        | \$28.36                            | \$27.69                                |
| <i>Mental Health Technician</i>            | 61.8                          | 9.3                         | \$13.56                            | \$11.59                                |
| <i>Medical Receptionist</i>                | 3.0                           | 1.0                         | \$14.68                            | \$14.18                                |
| <i>Clinical Staff Leader</i>               | 9.0                           | 1.0                         | \$35.91                            | \$27.69                                |
| <i>Manager</i>                             | 2.0                           | 0.0                         | \$54.52                            | \$39.82                                |
| <b>Total Direct Patient Care Positions</b> | 143.20                        | 21.3                        |                                    |  |
| <b>B. Non-Patient Care Positions</b>       |                               |                             |                                    |  |
| <i>Social Worker</i>                       | 14.0                          | 1.4                         | \$27.11                            | \$25.25                                |
| <i>Discharge Planner</i>                   | 3.0                           | 0.5                         | \$18.17                            | *                                      |
| <i>Utilization Management</i>              | 5.6                           | 0.6                         | \$30.84                            | *                                      |
| <i>Pharmacist</i>                          | 1.6                           | 0.5                         | \$65.42                            | \$58.43                                |
| <i>Pharmacy Technician</i>                 | 1.0                           | 0.0                         | \$24.79                            | \$14.04                                |
| <i>Dietician</i>                           | 1.0                           | 0.0                         | \$35.00                            | \$26.11                                |
| <i>Environmental Services</i>              | 12.7                          | 1.0                         | \$13.86                            | \$10.42                                |
| <i>Nutrition Services</i>                  | 9.8                           | 1.0                         | \$14.47                            | \$10.60                                |
| <b>Total Non-Patient Care Positions</b>    | 48.70                         | 5.0                         |                                    |  |
| <b>Total Employees<br/>(A+B)</b>           | 191.9                         | 26.3                        |                                    |  |
| <b>C. Contractual Staff</b>                | 0                             | 0                           |                                    |  |
| <b>Total Staff<br/>(A+B+C)</b>             | 191.9                         | 26.3                        |                                    |  |

- Information not available from the Tennessee Department of Labor and Workforce Development

9. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
  - A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.
  - B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

**RESPONSE:** The only alternative to the project is the status quo, which is not acceptable because the high occupancy at VPH impedes its ability to serve patients in a timely manner, including those who are initially hospitalized at VUH. The project is a cost-effective means to convert existing space and increase capacity.

#### CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

**RESPONSE:** Please see Attachment Contribution to the Orderly Development of Healthcare.1

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

A. Positive Effects

**RESPONSE:** As highlighted throughout the application, the addition of this 14-bed unit will allow VPH to continue to expand their multidisciplinary approach to patient care. VPH is uniquely positioned to treat a full range of behavioral diagnoses and comorbid medical conditions that require consultation and interventions from specialists across VUMC. VPH also collaborates to provide mental health care to patients across the medical center, including emergency department and the inpatient units at Vanderbilt University Hospital. Having the additional capacity at VUMC will allow for continued collaboration and will provide a comprehensive continuum of care for these patients.

B. Negative Effects

**RESPONSE:** There are no negative effects of this project.

3. A. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**RESPONSE:** VUMC will staff the project. VUMC provides a dynamic recruitment and retention program for employees. As one of the largest employers, VUMC actively searches for the most appropriate candidates and seeks to place them in career successful positions.

- B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**RESPONSE:** Vanderbilt University Medical Center will be responsible for credentialing, quality assurance, and staff education.

**Credentialing**

The Provider Support Services department credentials all providers that will admit patients to VUMC or attend to patients at VUMC and its satellite locations. Documents are verified from the primary source and include medical or professional licenses, DEA status (if applicable), malpractice insurance and claims history, appropriate schooling, board certification and faculty status. Once all documents have been verified, they are presented to the Credentials Committee for review and recommendation to the Medical Center Medical Board. The Medical Center Medical Board then recommends approval to the Board of Trust, which makes the final decision.

**Quality Assurance**

VUMC's Strategic Quality Plan reflects the mission to achieve the best outcomes by providing the highest quality and safest care for every patient, every time through the committed efforts of every Vanderbilt

team member. We will pursue delivery of care that is safe, patient centered, effective, efficient, timely and equitable.

**Staff Education**

VUMC devotes a variety of resources to the development of staff at all levels of the organization. VUMC's Learning Center provides comprehensive orientation and role specific training to help new staff become successful in their jobs.

- C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

**RESPONSE:** VUMC is a major clinical training facility and supports 400 medical students, 800 nursing students, and 700 Ph.D. students training in 100 different Vanderbilt-affiliated training programs.

4. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: **State of Tennessee, Department of Health Facilities, Licensure Division**

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.): **Hospital**

Accreditation (i.e., Joint Commission, CARF, etc.): **Joint Commission**

- A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

**RESPONSE:** Please see Attachment Contribution to the Orderly Development of Healthcare.4A.

- B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

**RESPONSE:** Please see Attachment Contribution to the Orderly Development of Healthcare.4B.

- C. Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

**RESPONSE:** Not applicable.

- 1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

5. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

- A. Has any of the following:

- 1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

**RESPONSE:** No

- 2) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

**RESPONSE: No**

- 3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

**RESPONSE: No**

B. Been subjected to any of the following:

- 1) Final Order or Judgment in a state licensure action;

**RESPONSE: No**

- 2) Criminal fines in cases involving a Federal or State health care offense;

**RESPONSE: No**

- 3) Civil monetary penalties in cases involving a Federal or State health care offense;

**RESPONSE: No**

- 4) Administrative monetary penalties in cases involving a Federal or State health care offense;

**RESPONSE: No**

- 5) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or

**RESPONSE: No**

- 6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

**RESPONSE: No**

- 7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

**RESPONSE: No.**

- 8) Is presently subject to a corporate integrity agreement.

**RESPONSE: No**

6. Outstanding Projects:

- A. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

| <u>Outstanding Projects</u> |   |                      |                                   |                   |                        |
|-----------------------------|---|----------------------|-----------------------------------|-------------------|------------------------|
| <u>CON Number</u>           | <u>Project Name</u>                                 | <u>Date Approved</u> | <u>*Annual Progress Report(s)</u> |                   | <u>Expiration Date</u> |
|                             |   |                      | <u>Due Date</u>                   | <u>Date Filed</u> |                        |
| CN710-075                   | Monroe Carell Jr. Children's Hospital at Vanderbilt | 1/23/2008            | 3/1/2017                          | 2/23/2017         | November 1, 2020       |
| CN1406-021                  | Vanderbilt University Hospitals                     | 9/24/2014            | 11/1/2017                         | 10/27/2017        | November 1, 2020       |
| CN1602-010                  | Vanderbilt University Medical Center                | 4/27/2016            | 6/1/2017                          | 5/10/2017         | June 1, 2019           |
| CN1705-016                  | Vanderbilt University Medical Center                | 8/23/2017            | TBD                               | TBD               | October 1, 2020        |
|                             |   |                      |                                   |                   |                        |

\* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

B. Provide a brief description of the current progress, and status of each applicable outstanding CON.

**RESPONSE: Updates on VUMC outstanding CON projects:**

**CN0710-075**

Construction is well underway on the Children's 4-floor vertical expansion. Approval from the HSDA was given in December 2017 to extend the expiration date of this CON to November 2020.

**CN1406-021**

This project includes several major components and is being implemented in stages. The first component of the project included two observation units on VUMC campus, which are currently constructed and occupied. The next component of the project includes adding NICU/ Critical Care Pediatric Beds on the tenth floor and the eleventh floor of Monroe Carell Jr. Children's Hospital at Vanderbilt. The third component includes the construction of the eighth floor of Medical Center East, which includes inpatient rooms as well as an observation unit, followed by construction of the seventh and sixth floors of Medical Center East.

**CN1602-010**

Construction is well underway to relocate the Clinical Research Center to Medical Center North, Round Wing, and it is anticipated to be complete in fall 2018.

**CN1705-016**

Construction for the recently approved MRI at MCJCHV is underway.

7. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

VUMC submitted the Medical Equipment Registration to the HSDA on February 28, 2018, for all major medical equipment.

VUMC does not own, lease, operate or contract with a mobile vendor for Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET).

- A. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?  
NO
- B. If yes, have you submitted their registration to HSDA? If you have, what was the date of submission?  
N/A
- C. If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? N/A

## QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

**RESPONSE: VUMC will comply will all reporting requests from the HSDA.**

## STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning> ). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

**RESPONSE: People in Tennessee will have greater access to the most current translational research and innovation offered by VPH. The project will be particularly beneficial to patients with comorbid medical conditions. The entire continuum of care including, inpatient programs, adolescent and adult partial hospitalization programs; outpatient clinics and school-based programs; the neuromodulation program; and the Vanderbilt Comprehensive Assessment Program for Professionals, is all offered at VPH. This enables continuity of care throughout the patient's experience and will have a positive effect on patient outcomes.**

2. People in Tennessee should have access to health care and the conditions to achieve optimal health.

**RESPONSE: VPH serves patients who are involuntarily committed, TennCare patients and indigent patients. By improving accessibility to the services VPH offers, health will be improved for these patients.**

3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

**RESPONSE:** The proposed project will achieve operational efficiencies by expanding VPH's capacity to provide better access to inpatient psychiatric services and meet the growing needs of these patients throughout the service area. This project is a cost-effective use of existing resources.

4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

**RESPONSE:** The proposed project will achieve the highest standards of quality through quality metrics and best practices. VUMC, including VPH, is actively engaged in many projects associated with maintaining and improving quality standards.

5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

**RESPONSE:** VUMC is a leader in education, training and development of health care professionals, and this project will support these efforts.



## **PROOF OF PUBLICATION**

**Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.**

## **NOTIFICATION REQUIREMENTS**

**(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)**

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

## **DEVELOPMENT SCHEDULE**

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.**

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

| <u>Phase</u>   | <u>Days<br/>Required</u> | <u>Anticipated Date<br/>[Month/Year]</u> |
|--|--------------------------|--|
| 1. Initial HSDA decision date  |                          | 6/2018                                   |
| 2. Architectural and engineering contract signed                         | 30                       | 7/2018                                   |
| 3. Construction documents approved by the Tennessee Department of Health | 60                       | 9/2018                                   |
| 4. Construction contract signed  | 30                       | 8/2018                                   |
| 5. Building permit secured   | 30                       | 8/2018                                   |
| 6. Site preparation completed  | 30                       | 8/2018                                   |
| 7. Building construction commenced                                       | 30                       | 9/2018                                   |
| 8. Construction 40% complete   | 70                       | 11/2018                                  |
| 9. Construction 80% complete   | 140                      | 2/2019                                   |
| 10. Construction 100% complete (approved for occupancy)                  | 175                      | 4/2019                                   |
| 11. *Issuance of License   | 30                       | 5/2019                                   |
| 12. *Issuance of Service   | 30                       | 6/2019                                   |
| 13. Final Architectural Certification of Payment                         | 30                       | 7/2019                                   |
| 14. Final Project Report Form submitted (Form HR0055)                    | 90                       | 9/2019                                   |

\*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

**NOTE:** If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

## AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

C. Wright Pinson, being first duly sworn, says that he/she is the applicant named in this application or his/her lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Tennessee Health Services and Development Agency and T.C.A. § 68-11-1601, et seq., and that the responses to questions in this application or any other questions deemed appropriate by the Tennessee Health Services and Development Agency are true and complete.

C. Wright Pinson  
Signature/Title

Sworn to and subscribed before me this the 14<sup>th</sup> day of March, 20 18, a Notary Public in and for the County of Davidson, State of Tennessee.

Jennifer Hygrell  
NOTARY PUBLIC

My Commission expires July 8, 2019



HF-0056

Revised 7/02 - All forms prior to this date are obsolete

**Vanderbilt University Medical Center CON**  
**Application Attachments**  
(in order of appearance)

- Corporate Charter/Certificate of Existence/Org Chart: Attachment A.4A
- Lease: Attachment A.6A
- Plot Plan: Attachment A.6B.1
- Floor Plan: Attachment A.6B.2
- Construction Letter: Attachment C.Economic Feasibility.1.E
- Funding Documentation: Attachment C.Economic Feasibility.2
- Financial Statements: Attachment C.Economic Feasibility.6
- Contracts: Attachment Contribution to the Orderly Development of Healthcare.1
- Licensure & Accreditation: Attachment Contribution to the Orderly Development of Healthcare.4A
- Licensure Certification & Plan of Correction: Attachment Contribution to the Orderly Development of Healthcare.4B
- Proof of publication

## Attachment A.4A

Corporate Charter

Certificate of Existence

Organizational Chart



**STATE OF TENNESSEE**  
**Tre Hargett, Secretary of State**  
Division of Business Services  
William R. Snodgrass Tower  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

ROBIN LUNDQUIST  
VUMC OFFICE OF LEGAL AFFAIRS  
STE 700  
2525 WEST END AVE  
NASHVILLE, TN 37203-1790

**Request Type: Certified Copies**  
Request #: 216472

Issuance Date: 10/07/2016  
Copies Requested: 1

**Document Receipt**

Receipt #: 002920890 Filing Fee: \$20.00  
Payment-Check/MO - ERIC J LUNDQUIST, HENDERSONVILLE, TN \$20.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **Vanderbilt University Medical Center**, Control # 792687 was formed or qualified to do business in the State of Tennessee on 03/18/2015. Vanderbilt University Medical Center has a home jurisdiction of TENNESSEE and is currently in an Active status. The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

  
Tre Hargett  
Secretary of State

Processed By: Nichole Hambrick

The attached document(s) was/were filed in this office on the date(s) indicated below:

| <u>Reference #</u> | <u>Date Filed</u> | <u>Filing Description</u> |
|--------------------|-------------------|---------------------------|
| B0072-0037         | 03/18/2015        | Initial Filing            |
| B0244-2645         | 05/25/2016        | Assumed Name              |
| B0244-2646         | 05/25/2016        | Assumed Name              |
| B0244-2647         | 05/25/2016        | Assumed Name              |
| B0244-2648         | 05/25/2016        | Assumed Name              |
| B0244-2649         | 05/25/2016        | Assumed Name              |

**CHARTER**  
**OF**  
**VANDERBILT UNIVERSITY MEDICAL CENTER**

Pursuant to the provisions of Section 48-52-102 of the Tennessee Nonprofit Corporation Act (Tennessee Code Annotated §§ 48-51-101 et seq.), as amended from time to time (the "**Tennessee Nonprofit Corporation Act**"), the undersigned corporation, acting through its incorporator, hereby adopts the following Charter:

**ARTICLE I**

The name of the corporation is Vanderbilt University Medical Center (the "**Corporation**").

**ARTICLE II**

The Corporation (i) is a public benefit corporation; (ii) shall not be for profit; (iii) shall not have members; and (iv) is not a religious corporation. It is intended that the Corporation shall have the status of a nonprofit corporation that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended and to include any corresponding provisions of any subsequent federal tax laws (hereinafter, the "**Code**"), as an organization described and operated within the meaning of Section 501(c)(3) of the Code (or in each case, corresponding provisions of any subsequent federal tax laws).

**ARTICLE III**

(a) The street address and zip code of the Corporation's initial registered office are 800 South Gay Street, Suite 2021, Knoxville, Tennessee, 37929-9710, and the county in which the initial registered office is located is Knox County. The name of the Corporation's

initial registered agent at the Corporation's initial registered office is National Registered Agents, Inc.

(b) The street address and zip code of the Corporation's initial principal office are 1161 21<sup>st</sup> Avenue South, Suite D3300 MCN, Nashville, Tennessee, 37232-5545, and the county in which the initial principal office is located is Davidson County.

#### ARTICLE IV

The name, address and zip code of the incorporator of the Corporation are:

NAME

ADDRESS

Audrey J. Anderson

305 Kirkland Hall  
Vanderbilt University  
Nashville, TN 37240-0001

#### ARTICLE V

The Corporation's fiscal year shall conclude on June 30 every year.

#### ARTICLE VI

(a) The purposes for which the Corporation is organized are to operate exclusively for charitable, educational and scientific purposes, within the meaning of Section 501(c)(3) of the Code; and within such limits, and inclusive of such other consistent purposes, as may be set forth in the Bylaws of the Corporation, to: (1) operate, maintain or control one or more academic medical and health science centers, including (but not limited to) related health care, research, and other facilities (which also may be used for biomedical research, administration, and training and education of health care and life sciences professionals), all as may currently exist or as may be established in the future, as part of an integrated, world-class health system affiliated with Vanderbilt University, a Tennessee nonprofit corporation



("Vanderbilt University"); (2) preserve, promote, and enhance the availability of health care services and scientific advances in public health, in the communities served by the Corporation, by Vanderbilt University, and their respective affiliates and networks; (3) otherwise advance purposes consistent with the general purposes herein and the mission as set forth in the Bylaws; and (4) otherwise fulfill and satisfy the Corporation's obligations as a party to one or more agreements to be entered into by and among the Corporation, on the one hand, and Vanderbilt University on the other hand, to ensure that the Corporation and Vanderbilt may efficiently and effectively pursue shared interests in health-related research and training.

(b) Subject to the limitations contained in this Charter and the Bylaws and without partisanship of any kind, the Corporation shall be empowered to take all appropriate action in furtherance of the purposes set forth in paragraph (a) of this Article VI and to carry out any activities and exercise all powers available to corporations organized pursuant to the Tennessee Nonprofit Corporation Act that may be carried out by organizations that are described in Section 501(c)(3) of the Code.

(c) The Corporation shall not have or exercise any power or authority either expressly or by interpretation or by operation of law, nor shall it directly or indirectly engage in any activity, (i) that would prevent it from qualifying (and continuing to qualify) as an organization described in Section 501(c)(3) of the Code; (ii) that would prevent it from qualifying (and continuing to qualify) as an organization contributions to which are deductible under Sections 170(c)(2), 2055(a) and 2522(a), as applicable, of the Code; or (iii) that is not available to and may not be carried out by a corporation organized pursuant to the Tennessee Nonprofit Corporation Act.

#### ARTICLE VII

(a) All powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed by or under the direction of, its Board of Directors. The Board of Directors of the Corporation shall exercise all such powers subject to, and in accordance with, the Bylaws of the Corporation. The manner of appointment or election of the members of the Board of Directors shall be set forth in the Bylaws.

(b) Except as otherwise provided in this Charter, the internal affairs of the Corporation shall be governed by, and regulated and determined as provided in, the Corporation's Bylaws.

#### ARTICLE VIII

In all events and under all circumstances, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of the Corporation, voluntary or involuntary, or by the operation of law, or upon amendment of this Charter:

(a) No part of the assets or net earnings of the Corporation shall inure to the benefit of or be distributable to its incorporator, directors, officers or other private persons having a personal or private interest in the Corporation, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in carrying out the purposes set forth in Article VI hereof.

(b) No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or of otherwise attempting to influence legislation, unless Section 501(h) of the Code shall apply to the Corporation, in which case the Corporation shall not normally make lobbying or grass roots expenditures in excess of the amounts therein specified.

The Corporation shall not in any manner or to any extent participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; nor shall it engage in any "prohibited transaction" as defined in Section 503(b) of the Code.

(c) Neither the whole, or any part or portion, of the assets or net earnings of the Corporation shall be used, nor shall the Corporation ever be operated, for objects or purposes other than those set forth in Article VI hereof.

(d) Upon dissolution of the Corporation, all of the Corporation's assets and property of every nature and description remaining after the payment of all liabilities and obligations of the Corporation (but not including assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution) shall be paid over and transferred to Vanderbilt University, or to one or more organizations as approved in writing by Vanderbilt University, provided that Vanderbilt University or such other approved organization(s) are then qualified for exemption from federal income taxes as organizations described in Section 501(c)(3) of the Code.

#### ARTICLE IX

The Corporation's Charter may be amended, restated or altered, in whole or in part, by the affirmative vote of at least seventy-five percent (75%) of all of the members of the Corporation's Board of Directors then in office at a duly called meeting at which a quorum is present; provided that (a) at least seven (7) calendar days' notice in writing setting forth a proposed amendment, restatement or alteration of the Corporation's Charter, or a reasonably detailed summary thereof, has first been provided to the Corporation's Board of Directors, and (b) the approval of Vanderbilt University shall be required for any amendment that adversely


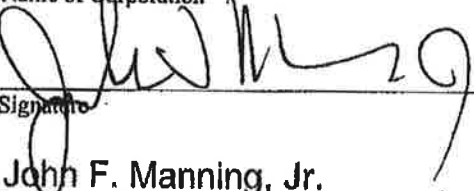
impacts the rights of Vanderbilt University or the VU Directors, as that term is defined in the Corporation's Bylaws.


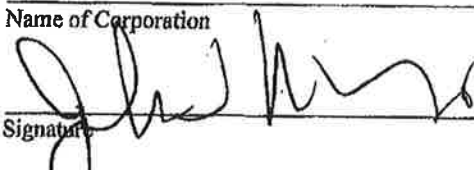
**[Signature page follows]**

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18 day of  
March, 2015.


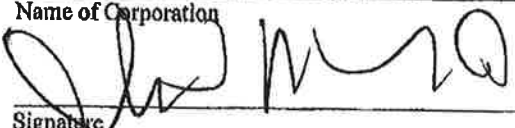
  
Audrey J. Anderson,  
Incorporator

[Signature Page to Charter]

|  |   |
|--|---|
| <b>State of Tennessee</b>  | For Office Use Only   |
| <br><b>Department of State</b><br>Corporate Filings<br>312 Rosa L. Parks Ave.<br>6th Floor, William R. Snodgrass Tower<br>Nashville, TN 37243 |   |
| <b>APPLICATION FOR<br/>REGISTRATION OF<br/>ASSUMED CORPORATE<br/>NAME</b>  |   |
| Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:  |   |
| 1. The true name of the corporation is <u>Vanderbilt University Medical Center</u>   |   |
| 2. The state or country of incorporation is <u>Tennessee</u>   |   |
| 3. The corporation intends to transact business in Tennessee under an assumed corporate name.  |   |
| 4. The assumed corporate name the corporation proposes to use is<br><u>Vanderbilt Outpatient Pharmacy</u>  |   |
| [NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]                                  |   |
| <u>5-11-16</u><br>Signature Date   | <u>Vanderbilt University Medical Center</u><br>Name of Corporation  |
| Chief Operating Officer and Corporate Chief of Staff<br>Signer's Capacity  | <br>Signature<br><u>John F. Manning, Jr.</u><br>Name (typed or printed) |
| SS-4402 (Rev. 4/01)  | Filing Fee: \$20 RDA1720  |

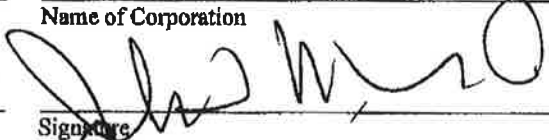
|  |   |
|--|---|
| <div style="text-align: center;">  <p><b>State of Tennessee</b></p> <p><b>Department of State</b><br/>Corporate Filings<br/>312 Rosa L. Parks Ave.<br/>6th Floor, William R. Snodgrass Tower<br/>Nashville, TN 37243</p> </div> <div style="text-align: center; margin-top: 20px;"> <p><b>APPLICATION FOR<br/>REGISTRATION OF<br/>ASSUMED CORPORATE<br/>NAME</b></p> </div> | <p style="text-align: center; font-size: small;">For Office Use Only</p>  |
| <p>Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:</p>   |   |
| <p>1. The true name of the corporation is <u>Vanderbilt University Medical Center</u></p>  |   |
| <p>2. The state or country of incorporation is <u>Tennessee</u></p>  |   |
| <p>3. The corporation intends to transact business in Tennessee under an assumed corporate name.</p>   |   |
| <p>4. The assumed corporate name the corporation proposes to use is<br/><u>Vanderbilt Clinic Pharmacy</u></p>  |   |
| <p><small>[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]</small></p>  |   |
| <p><u>5-11-16</u></p> <p>Signature Date</p><br><br><p>Chief Operating Officer and Corporate Chief of Staff</p> <p>Signer's Capacity</p>  | <p><u>Vanderbilt University Medical Center</u></p> <p>Name of Corporation</p><br> <p>Signature</p><br><p><u>John F. Manning, Jr.</u></p> <p>Name (typed or printed)</p> |
| <div style="display: flex; justify-content: space-between; font-size: small;"> <span>SS-4402 (Rev. 4/01)</span> <span>Filing Fee: \$20</span> <span>RDA1720</span> </div>  |   |



B0244-2647 05/25/2016 10:00 AM Received by Tennessee Secretary of State Tre Hargett

|   |  |
|---|--|
| <div data-bbox="267 357 609 493"><p>State of Tennessee</p></div> <div data-bbox="259 493 609 640"><p><b>Department of State</b><br/>Corporate Filings<br/>312 Rosa L. Parks Ave.<br/>6th Floor, William R. Snodgrass Tower<br/>Nashville, TN 37243</p></div> | <p>For Office Use Only</p>   |
| <p align="center"><b>APPLICATION FOR<br/>REGISTRATION OF<br/>ASSUMED CORPORATE<br/>NAME</b></p>   |  |
| <p>Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:</p>  |  |
| <p>1. The true name of the corporation is <u>Vanderbilt University Medical Center</u></p>   |  |
| <p>2. The state or country of incorporation is <u>Tennessee</u></p>   |  |
| <p>3. The corporation intends to transact business in Tennessee under an assumed corporate name.</p>  |  |
| <p>4. The assumed corporate name the corporation proposes to use is<br/><u>Vanderbilt Adult Hospital Pharmacy</u></p>   |  |
| <p>[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]</p>  |  |
| <p><u>5-11-16</u><br/>Signature Date</p>  | <p><u>Vanderbilt University Medical Center</u><br/>Name of Corporation</p>           |
| <p>Chief Operating Officer and Corporate Chief of Staff</p>   |  |
| <p>Signer's Capacity</p>  | <p>Signature</p>   |
|   | <p><u>John F. Manning, Jr.</u><br/>Name (typed or printed)</p>                       |
| <p>SS-4402 (Rev. 4/01)      Filing Fee: \$20      RDA1720</p>   |  |



B0244-2648 05/25/2016 10:00 AM Received by Tennessee Secretary of State Tre Hargett

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| <div data-bbox="708 451 1008 560" data-label="Section-Header"><p><b>APPLICATION FOR<br/>REGISTRATION OF<br/>ASSUMED CORPORATE<br/>NAME</b></p></div> <p>Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:</p> <p>1. The true name of the corporation is <u>Vanderbilt University Medical Center</u></p> <p>2. The state or country of incorporation is <u>Tennessee</u></p> <p>3. The corporation intends to transact business in Tennessee under an assumed corporate name.</p> <p>4. The assumed corporate name the corporation proposes to use is <u>Vanderbilt Nuclear Pharmacy</u></p> <p>[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]</p> |   |
| <div data-bbox="224 1220 743 1289" data-label="Text"><p><u>5-11-16</u><br/>Signature Date</p></div> <div data-bbox="224 1325 743 1400" data-label="Text"><p>Chief Operating Officer and Corporate Chief of Staff<br/>Signer's Capacity</p></div>   | <div data-bbox="776 1213 1338 1289" data-label="Text"><p><u>Vanderbilt University Medical Center</u><br/>Name of Corporation</p></div> <div data-bbox="776 1262 1338 1400" data-label="Text"><p><br/>Signature</p></div> <div data-bbox="776 1436 1338 1514" data-label="Text"><p><u>John F. Manning, Jr.</u><br/>Name (typed or printed)</p></div> |
| <div data-bbox="230 1768 397 1791" data-label="Page-Footer"><p>SS-4402 (Rev. 4/01)</p></div> <div data-bbox="712 1768 839 1793" data-label="Page-Footer"><p>Filing Fee: \$20</p></div> <div data-bbox="1222 1772 1315 1795" data-label="Page-Footer"><p>RDA1720</p></div>  |   |

|  |   |
|--|---|
| <b>State of Tennessee</b>  | For Office Use Only   |
| <br><b>Department of State</b><br>Corporate Filings<br>312 Rosa L. Parks Ave.<br>6 <sup>th</sup> Floor, William R. Snodgrass Tower<br>Nashville, TN 37243 |   |
| <b>APPLICATION FOR<br/>REGISTRATION OF<br/>ASSUMED CORPORATE<br/>NAME</b>  |   |
| <p>Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:</p>       |   |
| <p>1. The true name of the corporation is <u>Vanderbilt University Medical Center</u></p>  |   |
| <p>2. The state or country of incorporation is <u>Tennessee</u></p>  |   |
| <p>3. The corporation intends to transact business in Tennessee under an assumed corporate name.</p>   |   |
| <p>4. The assumed corporate name the corporation proposes to use is<br/><u>Vanderbilt Oncology Pharmacy</u></p>  |   |
| <p>[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]</p>                                       |   |
| <p><u>5-11-16</u><br/>Signature Date</p>   | <p><u>Vanderbilt University Medical Center</u><br/>Name of Corporation</p>  |
| <p>Chief Operating Officer and Corporate Chief of Staff<br/>Signer's Capacity</p>  | <p><br/>Signature<br/><u>John F. Manning, Jr.</u><br/>Name (typed or printed)</p> |
| SS-4402 (Rev. 4/01)  | Filing Fee: \$20  |
| RDA1720  |   |



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**

State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

**Filing Information**

**Name:** **Vanderbilt University Medical Center**

**General Information**

|                               |                                  |                          |                  |
|-------------------------------|----------------------------------|--------------------------|------------------|
| <b>SOS Control #</b>          | <b>000792687</b>                 | <b>Formation Locale:</b> | <b>TENNESSEE</b> |
| <b>Filing Type:</b>           | Nonprofit Corporation - Domestic | <b>Date Formed:</b>      | 03/18/2015       |
|                               | 03/18/2015 3:00 PM               | <b>Fiscal Year Close</b> | 6                |
| <b>Status:</b>                | Active                           |                          |                  |
| <b>Duration Term:</b>         | Perpetual                        |                          |                  |
| <b>Public/Mutual Benefit:</b> | Public                           |                          |                  |

**Registered Agent Address**  
NATIONAL REGISTERED AGENTS, INC.  
STE 2021  
800 S GAY ST  
KNOXVILLE, TN 37929-9710

**Principal Address**  
STE D3300MCN  
1161 21ST AVE S  
NASHVILLE, TN 37232-5545

The following document(s) was/were filed in this office on the date(s) indicated below:

| <b>Date Filed</b> | <b>Filing Description</b>  | <b>Image #</b> |
|-------------------|--|----------------|
| 09/15/2016        | 2016 Annual Report   | B0280-8438     |
| 05/25/2016        | Assumed Name   | B0244-2645     |
|                   | New Assumed Name Changed From: No Value To: Vanderbilt Outpatient Pharmacy     |                |
| 05/25/2016        | Assumed Name   | B0244-2646     |
|                   | New Assumed Name Changed From: No Value To: Vanderbilt Clinic Pharmacy         |                |
| 05/25/2016        | Assumed Name   | B0244-2647     |
|                   | New Assumed Name Changed From: No Value To: Vanderbilt Adult Hospital Pharmacy |                |
| 05/25/2016        | Assumed Name   | B0244-2648     |
|                   | New Assumed Name Changed From: No Value To: Vanderbilt Nuclear Pharmacy        |                |
| 05/25/2016        | Assumed Name   | B0244-2649     |
|                   | New Assumed Name Changed From: No Value To: Vanderbilt Oncology Pharmacy       |                |
| 09/29/2015        | 2015 Annual Report   | B0133-7363     |
| 03/18/2015        | Initial Filing   | B0072-0037     |

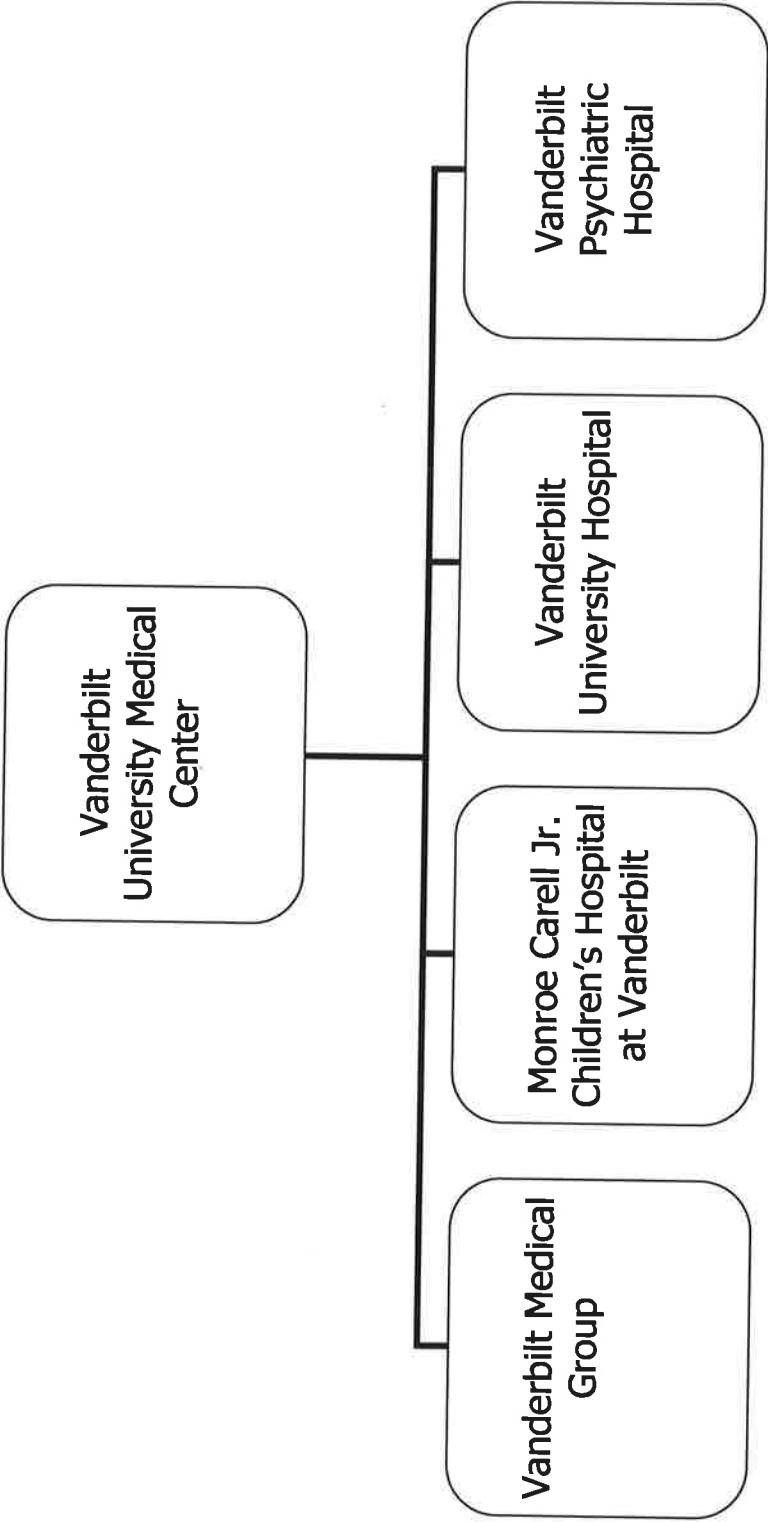
| <b>Active Assumed Names (if any)</b> | <b>Date</b> | <b>Expires</b> |
|--------------------------------------|-------------|----------------|
| Vanderbilt Oncology Pharmacy         | 05/25/2016  | 05/25/2021     |
| Vanderbilt Nuclear Pharmacy          | 05/25/2016  | 05/25/2021     |

## Filing Information

Name: **Vanderbilt University Medical Center**

|                                    |            |            |
|------------------------------------|------------|------------|
| Vanderbilt Adult Hospital Pharmacy | 05/25/2016 | 05/25/2021 |
| Vanderbilt Clinic Pharmacy         | 05/25/2016 | 05/25/2021 |
| Vanderbilt Outpatient Pharmacy     | 05/25/2016 | 05/25/2021 |

**Vanderbilt University Medical Center Organization Chart**





**Tre Hargett**  
Secretary of State

**Division of Business Services**

**Department of State**

**State of Tennessee**

312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

ROBIN LUNDQUIST  
2525 WEST END AVE., SUITE 700  
VUMC OFFICE OF LEGAL AFFAIRS  
NASHVILLE, TN 37203

March 14, 2017

Request Type: Certificate of Existence/Authorization  
Request #: 0231773

Issuance Date: 03/14/2017  
Copies Requested: 1

**Document Receipt**

Receipt #: 003200004

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3697220453

\$20.00

Regarding: Vanderbilt University Medical Center

Filing Type: Nonprofit Corporation - Domestic

Control #: 792687

Formation/Qualification Date: 03/18/2015

Date Formed: 03/18/2015

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: DAVIDSON COUNTY

**CERTIFICATE OF EXISTENCE**

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

**Vanderbilt University Medical Center**

\* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;

\* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

\* has filed the most recent annual report required with this office;

\* has appointed a registered agent and registered office in this State;

\* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 021581420

## Attachment A.6A

Lease

**Prepared by and after recording return to:**

Hogan Lovells US LLP  
Attn: Al Stemp, Esq.  
1999 Avenue of the Stars, Suite 1400  
Los Angeles, California 90067

**BILL GARRETT, Davidson County**

Trans: T20160035503 LEASE

Recvd: 04/29/16 11:14 10 pgs

Fees: 52.00 Taxes: 0.00



**20160429-0042102**

**MEMORANDUM OF GROUND LEASE**

THE VANDERBILT UNIVERSITY, a Tennessee nonprofit corporation ("**Landlord**"), has leased to VANDERBILT UNIVERSITY MEDICAL CENTER, a Tennessee nonprofit corporation ("**Tenant**"), for a period beginning on April 30, 2016 (the "**Ground Lease Effective Date**"), and expiring on June 30, 2114, subject to two (2) renewal options exercisable by Tenant for two (2) additional periods of at least fifty (50) years but no more than ninety-nine (99) years each as mutually agreed by Tenant and Landlord (such period and renewals being referred to herein as the "**Ground Lease Term**"), those certain parcels or tracts of land in Nashville, Davidson County, Tennessee, described on **Exhibit A** attached hereto and made a part hereof (the "**Premises**"). The Premises has been leased to Tenant pursuant to that certain Ground Lease entered into as of April 29, 2016 and effective as of the Ground Lease Effective Date, by and between Landlord and Tenant (the "**Ground Lease**"). During the Ground Lease Term, existing improvements and future improvements located on the Premises (the "**Improvements**") shall be owned by Tenant in fee simple and deemed Tenant's property for all purposes until the expiration of the Ground Lease Term or the earlier termination of the Ground Lease.

At the expiration of the Ground Lease Term or prior termination of the Ground Lease, Tenant shall: (1) immediately and peaceably surrender the Premises and Improvements to Landlord in a safe and clean condition and in good order and repair, reasonable wear and tear excepted and (2) assign to Landlord Tenant's interest in any subleases executed by Tenant in accordance with the Ground Lease. At the expiration of the Ground Lease Term or prior termination of the Ground Lease, fee title to the Improvements shall automatically revert to and be vested in Landlord and Tenant shall deliver such documentation reasonably requested by Landlord to memorialize the reversion of fee title to the Improvements to Landlord. In addition, any personal property belonging to Tenant (but not owned by any subtenant or occupant under any sublease) left at the Premises or Improvements following the expiration or prior termination of the Ground Lease shall be deemed abandoned.

The use of the Premises is strictly limited by certain terms and provisions of the Ground Lease, all of which are incorporated herein by this reference.

The Ground Lease forms part of a single, interdependent, integrated transaction effected by means of a set of interrelated agreements entered into by Landlord and Tenant substantially contemporaneously herewith, including the Master Transfer and Separation Agreement (as defined as MTSA in the Ground Lease), the Academic Affiliation Agreement (as defined as AAA in the Ground Lease), the Trademark License Agreement (as defined in the Ground Lease), the Reciprocal Easement and Facilities Management Agreement (as defined as the Easement and Facilities Agreement in the Ground Lease), the Parking Lease Agreement (as defined in the Ground Lease) services agreements and other agreements.

This Memorandum of Ground Lease may be executed in any number of counterparts, which shall collectively constitute one instrument.

*[Signature Pages Follow]*



IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum of Ground Lease as of the 29th day of April, 2016, but intend it to be effective as of April 30, 2016.

**LANDLORD:**

**THE VANDERBILT UNIVERSITY**, a Tennessee nonprofit corporation

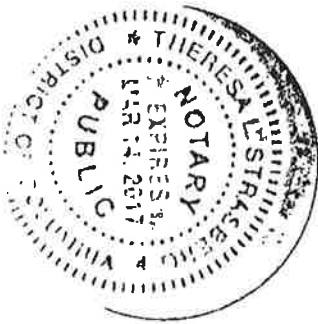
By: Eric Kopstain  
Print Name: Eric Kopstain  
Print Title: Vice Chancellor for Administration

**DISTRICT OF COLUMBIA)**

Before me, the undersigned, a Notary Public in and for the District of Columbia, personally appeared Eric Kopstain, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Vice Chancellor for Administration of **THE VANDERBILT UNIVERSITY**, the within named bargainor, a Tennessee nonprofit corporation, and that he as such Vice Chancellor for Administration, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Eric Kopstain, Vice Chancellor for Administration.

Witness my hand and seal, at office in the District of Columbia, this the 27<sup>th</sup> day of April, 2016.

Theresa L. Strasberg  
NOTARY PUBLIC  
My Commission Expires: 03/14/2017



**TENANT:**

**VANDERBILT UNIVERSITY MEDICAL CENTER,**  
a Tennessee nonprofit corporation

By: Cecelia B. Moore

Print Name: Cecelia B. Moore

Print Title: Chief Financial Officer and Treasurer

**DISTRICT OF COLUMBIA)**

Before me, the undersigned, a Notary Public in and for the District of Columbia, personally appeared Cecelia B. Moore, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged herself to be Chief Financial Officer and Treasurer of **VANDERBILT UNIVERSITY MEDICAL CENTER**, the within named bargainor, a Tennessee nonprofit corporation, and that she as such Chief Financial Officer and Treasurer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Cecelia B. Moore, Chief Financial Officer and Treasurer.

Witness my hand and seal, at office in the District of Columbia, this the 27<sup>th</sup> day of April, 2016.

Heuse L. Stensberg

NOTARY PUBLIC

My Commission Expires: 03/14/2017



**Exhibit A  
to  
Memorandum of Ground Lease**

Premises Description

[Attached.]

Exhibit A

TRACT A

BEING A GROUND LEASE TRACT IN DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE. BEING A PORTION OF PARCEL NUMBER 1 AS SHOWN ON DAVIDSON COUNTY PROPERTY TAX MAP NUMBER 104-04. BEING BOUNDED ON THE SOUTH BY RIGHT-OF-WAY (R/W) OF BLAKEMORE AVENUE (PUBLIC R/W VARIES), ON THE WEST BY RIGHT-OF-WAY (R/W) OF 24TH AVENUE SOUTH (60' PUBLIC R/W), ON THE NORTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF CHILDREN'S WAY HAVING BEEN CLOSED BY METRO ORDINANCE, AND ON THE EAST BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF 23RD AVENUE SOUTH HAVING BEEN CLOSED BY METRO ORDINANCE, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING AN P.K. NAIL (NEW) IN THE NORTHERLY R/W MARGIN OF BLAKEMORE AVENUE AND APPROXIMATELY IN THE WESTERLY FACE OF FACE OF CURB OF 23RD AVENUE SOUTH BEING THE SOUTHEAST CORNER OF THE PROPERTY HEREIN DESCRIBED, HAVING A NORTHING OF 657,865.30 AND AN EASTING OF 1,731,331.44 (NAD83); THENCE LEAVING THE SAID 23RD AVENUE SOUTH WITH THE R/W OF BLAKEMORE AVENUE NORTH 82 DEGREES 23 MINUTES 36 SECONDS WEST, 260.35 FEET TO A P.K. NAIL (NEW); THENCE NORTH 78 DEGREES 00 MINUTES 57 SECONDS WEST, 100.96 FEET TO A P.K. NAIL (NEW); THENCE NORTH 82 DEGREES 10 MINUTES 01 SECONDS WEST, 128.53 FEET TO A P.K. NAIL (NEW); THENCE NORTH 55 DEGREES 08 MINUTES 03 SECONDS WEST, 29.54 FEET TO A P.K. NAIL (NEW) IN THE EASTERLY R/W MARGIN OF 24TH AVENUE SOUTH; THENCE WITH THE R/W OF 24TH AVENUE SOUTH NORTH 07 DEGREES 32 MINUTES 17 SECONDS EAST 10.39 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE LEFT HAVING A RADIUS OF 1130.00 FEET, A CENTRAL ANGLE OF 13 DEGREES 51 MINUTES 48 SECONDS, AN ARC LENGTH OF 273.41 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 01 DEGREES 06 MINUTES 05 SECONDS WEST 272.75 FEET TO A P.K. NAIL (NEW); THENCE NORTH 07 DEGREES 44 MINUTES 32 SECONDS WEST 17.29 FEET TO A P.K. NAIL (NEW) IN THE SOUTHERLY PORTION OF CHILDREN'S WAY; THENCE LEAVING 24TH AVENUE SOUTH GENERALLY WITH THE SOUTHERLY FACE OF CURB OF CHILDREN'S WAY SOUTH 82 DEGREES 38 MINUTES 19 SECONDS EAST, 550.58 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 14.39 FEET, A CENTRAL ANGLE OF 93 DEGREES 29 MINUTES 07 SECONDS, AN ARC LENGTH OF 23.48 FEET, A CHORD BEARING AND DISTANCE OF SOUTH 37 DEGREES 23 MINUTES 47 SECONDS EAST, 20.96 FEET TO A P.K. NAIL (NEW) IN THE WESTERLY PORTION OF 23RD AVENUE SOUTH; THENCE GENERALLY WITH THE WESTERLY FACE OF CURB OF 23RD AVENUE SOUTH SOUTH 08 DEGREES 18 MINUTES 04 SECONDS WEST, 305.97 FEET TO THE POINT OF BEGINNING.

CONTAINING 168,476 SQUARE FEET OR 3.87 ACRES, MORE OR LESS.

TRACT B

BEING A GROUND LEASE TRACT IN DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE. BEING A PORTION OF PARCEL NUMBER 1 AS SHOWN ON DAVIDSON COUNTY PROPERTY TAX MAP NUMBER 104-04. BEING BOUNDED ON THE NORTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF PIERCE AVENUE HAVING BEEN CLOSED BY METRO ORDINANCE, ON THE WEST BY RIGHT-OF-WAY (R/W) OF 24TH AVENUE SOUTH (60' PUBLIC R/W), ON THE SOUTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF CHILDREN'S WAY HAVING BEEN CLOSED BY METRO ORDINANCE, AND ON THE EAST BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF 23RD AVENUE SOUTH HAVING BEEN CLOSED BY

METRO ORDINANCE, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING A P.K. NAIL (NEW) IN THE EASTERLY R/W MARGIN OF 24TH AVENUE SOUTH AND APPROXIMATELY IN THE NORTHERLY FACE OF CURB OF CHILDRENS WAY BEING THE SOUTHWEST CORNER OF THE PROPERTY HEREIN DESCRIBED, HAVING A NORTHING OF 658,298.15 AND AN EASTING OF 1,730,811.02 (NAD83); THENCE WITH THE SAID 24TH AVENUE NORTH 07 DEGREES 44 MINUTES 36 SECONDS WEST, 88.16 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 970.36 FEET, A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 10 SECONDS, AN ARC LENGTH OF 246.75 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 00 DEGREES 27 MINUTES 19 SECONDS WEST 246.08 FEET TO A P.K. NAIL (NEW) IN THE SOUTHERLY PORTION OF PIERCE AVENUE; THENCE LEAVING 24TH AVENUE SOUTH GENERALLY AND PARTIALLY WITH THE SOUTHERLY FACE OF CURB OF PIERCE AVENUE SOUTH 82 DEGREES 17 MINUTES 34 SECONDS EAST, 589.37 FEET TO A P.K. NAIL (NEW) IN THE WESTERLY PORTION OF 23RD AVENUE SOUTH; THENCE LEAVING PIERCE AVENUE GENERALLY AND PARTIALLY WITH THE WESTERLY FACE OF CURB OF 23RD AVENUE SOUTH SOUTH 07 DEGREES 27 MINUTES 25 SECONDS WEST, 325.36 FEET TO A P.K. NAIL (NEW) IN THE NORTHERLY PORTION OF CHILDRENS WAY; THENCE LEAVING 23RD AVENUE SOUTH GENERALLY WITH THE NORTHERLY FACE OF CURB OF CHILDRENS WAY NORTH 82 DEGREES 38 MINUTES 15 SECONDS WEST, 532.37 FEET TO THE POINT OF BEGINNING.

CONTAINING 186,092 SQUARE FEET OR 4.27 ACRES, MORE OR LESS.

#### TRACT C

BEING A GROUND LEASE TRACT IN DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE. BEING A PORTION OF PARCEL NUMBER 1 AS SHOWN ON DAVIDSON COUNTY PROPERTY TAX MAP NUMBER 104-04. BEING BOUNDED ON THE NORTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF PIERCE AVENUE HAVING BEEN CLOSED BY METRO ORDINANCE, ON THE EAST BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF MEDICAL CENTER DRIVE HAVING BEEN CLOSED BY METRO ORDINANCE, ON THE SOUTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF CHILDRENS WAY HAVING BEEN CLOSED BY METRO ORDINANCE, AND ON THE WEST BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF 23RD AVENUE SOUTH HAVING BEEN CLOSED BY METRO ORDINANCE, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING AN P.K. NAIL (NEW) IN THE NORTHERLY FACE OF CURB OF CHILDRENS WAY AND THE EASTERLY FACE OF CURB OF 23RD AVENUE SOUTH BEING THE SOUTHWEST CORNER OF THE PROPERTY HEREIN DESCRIBED, HAVING A NORTHING OF 658,226.86 AND AN EASTING OF 1,731,362.51 (NAD83); THENCE LEAVING THE SAID CHILDRENS WAY GENERALLY WITH THE FACE OF CURB OF 23RD AVENUE NORTH 07 DEGREES 08 MINUTES 40 SECONDS EAST, 291.75 FEET TO A P.K. NAIL (NEW); THENCE NORTH 37 DEGREES 07 MINUTES 37 SECONDS EAST, 37.29 FEET TO A P.K. NAIL (NEW) IN THE SOUTHERLY PORTION OF PIERCE AVENUE; THENCE LEAVING 23RD AVENUE SOUTH GENERALLY WITH THE SOUTHERLY FACE OF CURB OF PIERCE AVENUE SOUTH 80 DEGREES 16 MINUTES 12 SECONDS EAST, 49.20 FEET TO A P.K. NAIL (NEW); THENCE SOUTH 82 DEGREES 47 MINUTES 22 SECONDS EAST, 277.22 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 17.60 FEET, A CENTRAL ANGLE OF 90 DEGREES 09 MINUTES 04 SECONDS, AN ARC LENGTH OF 27.70 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 47 DEGREES 57 MINUTES 47 SECONDS EAST 24.93 FEET TO A P.K. NAIL (NEW) IN THE WESTERLY PORTION OF MEDICAL CENTER DRIVE; THENCE GENERALLY WITH THE WESTERLY FACE OF CURB OF MEDICAL CENTER DRIVE SOUTH 07 DEGREES 24 MINUTES 30 SECONDS WEST 295.72 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 15.38 FEET, A CENTRAL ANGLE OF 90 DEGREES 14 MINUTES 37 SECONDS, AN ARC LENGTH OF 24.23 FEET, A CHORD BEARING AND DISTANCE OF SOUTH 56 DEGREES 24 MINUTES 44 SECONDS WEST, 21.80 FEET TO A P.K. NAIL (NEW) IN THE NORTHERLY PORTION OF CHILDRENS WAY; THENCE GENERALLY WITH THE NORTHERLY FACE OF CURB OF CHILDRENS WAY NORTH 82 DEGREES 24 MINUTES 55 SECONDS WEST, 347.70 FEET TO THE POINT OF BEGINNING.

CONTAINING 117,544 SQUARE FEET OR 2.70 ACRES, MORE OR LESS.

TRACT D

BEING A GROUND LEASE TRACT IN DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE. BEING A PORTION OF PARCEL NUMBER 1 AS SHOWN ON DAVIDSON COUNTY PROPERTY TAX MAP NUMBER 104-04. BEING BOUNDED ON THE NORTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF PIERCE AVENUE HAVING BEEN CLOSED BY METRO ORDINANCE, ON THE WEST BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF MEDICAL CENTER DRIVE HAVING BEEN CLOSED BY METRO ORDINANCE, ON THE SOUTH BY THE REMAINDER OF PARCEL 1, VANDERBILT UNIVERSITY BEING A PORTION OF CHILDREN'S WAY HAVING BEEN CLOSED BY METRO ORDINANCE, AND ON THE EAST BY THE R/W OF PUBLIC ALLEY #639 (15' PUBLIC R/W), SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING AN P.K. NAIL (NEW) IN THE NORTHERLY FACE OF CURB OF CHILDREN'S WAY AND THE WESTERLY R/W OF THE SAID ALLEY BEING THE SOUTHEAST CORNER OF THE PROPERTY HEREIN DESCRIBED, HAVING A NORTHING OF 658,159.49 AND AN EASTING OF 1,731,873.91 (NAD83); THENCE LEAVING THE SAID ALLEY GENERALLY WITH THE FACE OF CURB OF CHILDREN'S WAY NORTH 82 DEGREES 37 MINUTES 05 SECONDS WEST, 94.89 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 14.29 FEET, A CENTRAL ANGLE OF 93 DEGREES 24 MINUTES 17 SECONDS, AN ARC LENGTH OF 23.30 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 37 DEGREES 03 MINUTES 41 SECONDS WEST 20.80 FEET TO A P.K. NAIL (NEW) IN THE EASTERLY PORTION OF MEDICAL CENTER DRIVE; THENCE GENERALLY WITH THE EASTERLY FACE OF CURB OF MEDICAL CENTER DRIVE NORTH 07 DEGREES 24 MINUTES 13 SECONDS EAST 294.97 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 14.78 FEET, A CENTRAL ANGLE OF 94 DEGREES 03 MINUTES 25 SECONDS, AN ARC LENGTH OF 24.27 FEET, A CHORD BEARING AND DISTANCE OF NORTH 55 DEGREES 16 MINUTES 30 SECONDS EAST, 21.63 FEET TO A P.K. NAIL (NEW) IN THE SOUTHERLY PORTION OF PIERCE AVENUE; THENCE GENERALLY WITH THE SOUTHERLY FACE OF CURB OF PIERCE AVENUE SOUTH 82 DEGREES 57 MINUTES 46 SECONDS EAST, 94.47 FEET TO A P.K. NAIL (NEW) IN THE WESTERLY R/W OF THE SAID ALLEY; THENCE LEAVING PIERCE AVENUE WITH THE WESTERLY R/W OF THE SAID ALLEY SOUTH 07 DEGREES 35 MINUTES 22 SECONDS WEST, 324.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 35,608 SQUARE FEET OR 0.82 ACRES, MORE OR LESS.

TRACT E

BEING A GROUND LEASE TRACT IN DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE. BEING A PORTION OF PARCEL NUMBER 10.00 AS SHOWN ON DAVIDSON COUNTY PROPERTY TAX MAP NUMBER 104-04. BEING BOUNDED ON THE NORTH AND WEST BY THE REMAINDER OF PARCEL 10.00, VANDERBILT UNIVERSITY BEING A PORTION OF MEDICAL CENTER DRIVE HAVING BEEN CLOSED BY METRO ORDINANCE, ON THE EAST BY THE R/W OF 21ST AVENUE SOUTH (70' PUBLIC R/W), AND ON THE SOUTH BY THE REMAINDER OF PARCEL 10.00, VANDERBILT UNIVERSITY BEING A PORTION OF PIERCE AVENUE HAVING BEEN CLOSED BY METRO ORDINANCE AND THE R/W OF PIERCE AVENUE (50' PUBLIC R/W), SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING AN P.K. NAIL (NEW) IN THE NORTHERLY R/W OF PIERCE AVENUE AND THE WESTERLY R/W OF 21ST AVENUE SOUTH BEING THE SOUTHEAST CORNER OF THE PROPERTY HEREIN DESCRIBED, HAVING A NORTHING OF 658,499.60 AND AN EASTING OF 1,732,101.71 (NAD83); THENCE LEAVING 21ST AVENUE SOUTH WITH THE R/W OF PIERCE AVENUE NORTH 82 DEGREES 49 MINUTES 45 SECONDS WEST, 180.89 FEET TO A P.K. NAIL (NEW); THENCE SOUTH 07 DEGREES 35 MINUTES 22 SECONDS WEST, 9.35 FEET TO A P.K. NAIL (NEW) IN THE NORTHERLY PORTION OF THE CLOSED PIERCE AVENUE; THENCE GENERALLY WITH THE NORTHERLY FACE OF CURB OF PIERCE AVENUE NORTH 82 DEGREES 46 MINUTES 08 SECONDS WEST, 92.91 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 17.50 FEET, A CENTRAL ANGLE OF 90 DEGREES 02 MINUTES 33 SECONDS, AN ARC LENGTH OF 27.50 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 37 DEGREES 44 MINUTES 52 SECONDS WEST 24.76 FEET TO A P.K. NAIL (NEW) IN THE EASTERLY PORTION OF MEDICAL CENTER DRIVE; THENCE GENERALLY WITH THE EASTERLY

FACE OF CURB OF MEDICAL CENTER DRIVE NORTH 07 DEGREES 16 MINUTES 24 SECONDS EAST 1035.07 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 111.95 FEET, A CENTRAL ANGLE OF 53 DEGREES 30 MINUTES 25 SECONDS, AN ARC LENGTH OF 104.55 FEET, A CHORD BEARING AND DISTANCE OF NORTH 53 DEGREES 38 MINUTES 43 SECONDS EAST, 100.79 FEET TO A P.K. NAIL (NEW); THENCE SOUTH 82 DEGREES 50 MINUTES 03 SECONDS EAST, 218.73 FEET TO A P.K. NAIL (NEW) IN THE WESTERLY R/W OF 21ST AVENUE SOUTH; THENCE LEAVING MEDICAL CENTER DRIVE WITH THE R/W OF 21ST AVENUE SOUTH 07 DEGREES 17 MINUTES 24 SECONDS WEST, 1112.78 FEET TO THE POINT OF BEGINNING.

CONTAINING 323,641 SQUARE FEET OR 7.43 ACRES, MORE OR LESS.

TRACT F

BEING A GROUND LEASE TRACT IN DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE. BEING A PORTION OF PARCEL NUMBER 1.00 AS SHOWN ON DAVIDSON COUNTY PROPERTY TAX MAP NUMBER 104-04. BEING BOUNDED ON THE NORTH, SOUTH, AND PORTION OF THE EAST BY THE REMAINDER OF PARCEL 1.00, VANDERBILT UNIVERSITY BEING A PORTION OF MEDICAL CENTER DRIVE, PIERCE AVENUE, AND GARLAND AVENUE HAVING BEEN CLOSED BY METRO ORDINANCE, AND STEVENSON CENTER LANE (PRIVATE), ON THE EAST BY THE R/W OF 21ST AVENUE SOUTH (70' PUBLIC R/W), AND ALSO ON THE WEST BY THE VETERANS HOSPITAL UNITED STATES OF AMERICA PROPERTY (R.O.D.C.T.), SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING AN P.K. NAIL (NEW) IN THE NORTHERLY PORTION OF PIERCE AVENUE AND IN THE EASTERLY LINE OF THE SAID VETERANS HOSPITAL PROPERTY BEING THE SOUTHWEST CORNER OF THE PROPERTY HEREIN DESCRIBED, HAVING A NORTING OF 658,581.84 AND AN EASTING OF 1,731,376.57 (NAD83); THENCE LEAVING PIERCE AVENUE WITH THE EASTERLY LINE OF THE VETERANS HOSPITAL THE FOLLOWING THREE CALLS: NORTH 07 DEGREES 23 MINUTES 13 SECONDS EAST, 887.39 FEET TO A P.K. NAIL (NEW); THENCE NORTH 82 DEGREES 22 MINUTES 48 SECONDS WEST, 58.06 FEET TO A P.K. NAIL (NEW); THENCE NORTH 07 DEGREES 14 MINUTES 23 SECONDS EAST, 244.42 FEET TO A P.K. NAIL (NEW); THENCE LEAVING THE SAID VETERANS HOSPITAL THROUGH THE REMAINING LANDS OF VANDERBILT UNIVERSITY THE FOLLOWING TWENTY CALLS: SOUTH 82 DEGREES 47 MINUTES 25 SECONDS EAST, 233.29 FEET TO A P.K. NAIL (NEW); THENCE NORTH 07 DEGREES 35 MINUTES 17 SECONDS EAST, 152.53 FEET TO A P.K. NAIL (NEW) BEING IN THE FACE OF CURB OF GARLAND AVENUE; THENCE GENERALLY WITH THE FACE OF CURB OF GARLAND AVENUE AROUND A CURVE TO THE LEFT HAVING A RADIUS OF 41.59 FEET, A CENTRAL ANGLE OF 155 DEGREES 13 MINUTES 29 SECONDS, AN ARC LENGTH OF 112.66 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 60 DEGREES 21 MINUTES 47 SECONDS WEST 81.24 FEET TO A P.K. NAIL (NEW) IN THE NORTHERLY PORTION OF GARLAND AVENUE; THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 20.47 FEET, AN ARC LENGTH OF 24.35, A CENTRAL ANGLE OF 68 DEGREES 09 MINUTES 38 SECONDS, AND A CHORD BEARING AND LENGTH OF SOUTH 66 DEGREES 45 MINUTES 17 SECONDS WEST, 22.94 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE LEFT HAVING A RADIUS OF 597.60 FEET, AN ARC LENGTH OF 83.70 FEET, A CENTRAL ANGLE OF 8 DEGREES 01 MINUTES 30 SECONDS, AND A CHORD BEARING AND LENGTH OF NORTH 87 DEGREES 36 MINUTES 11 SECONDS WEST, 83.63 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT, HAVING A RADIUS OF 21.99 FEET, AN ARC LENGTH OF 39.98 FEET, A CENTRAL ANGLE OF 104 DEGREES 10 MINUTES 27 SECONDS, AND A CHORD BEARING AND LENGTH OF NORTH 36 DEGREES 10 MINUTES 56 SECONDS WEST, 34.69 FEET TO A P.K. NAIL (NEW) IN THE EASTERLY PORTION OF STEVENSON CENTER LANE; THENCE GENERALLY WITH THE EASTERLY FACE OF CURB OF STEVENSON CENTER LANE NORTH 06 DEGREES 21 MINUTES 35 SECONDS EAST 144.31 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 66.31 FEET, A CENTRAL ANGLE OF 82 DEGREES 26 MINUTES 58 SECONDS, AN ARC LENGTH OF 95.42 FEET, A CHORD BEARING AND DISTANCE OF NORTH 47 DEGREES 23 MINUTES 58 SECONDS EAST, 87.40 FEET TO A P.K. NAIL (NEW); THENCE SOUTH 83 DEGREES 49 MINUTES 09 SECONDS EAST, 85.36 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE LEFT HAVING A RADIUS OF 73.09 FEET, AN ARC LENGTH OF 79.56 FEET, A CENTRAL ANGLE OF 62 DEGREES 22 MINUTES 13 SECONDS, AND A CHORD BEARING AND LENGTH OF NORTH 64 DEGREES 32 MINUTES 10 SECONDS EAST, 75.69 FEET TO A P.K. NAIL (NEW); THENCE LEAVING THE SAID FACE OF CURB NORTH 07 DEGREES 12 MINUTES 22 SECONDS EAST, 65.81

FEET TO A P.K. NAIL (NEW); THENCE SOUTH 82 DEGREES 41 MINUTES 54 SECONDS EAST, 71.16 FEET TO A P.K. NAIL (NEW) SAID LINE BEING PARALLEL 10' TO THE EXISTING FACE OF BUILDING; THENCE NORTH 07 DEGREES 18 MINUTES 44 SECONDS EAST, 45.78 FEET TO A P.K. NAIL (NEW) SAID LINE BEING PARALLEL 10' TO THE EXISTING FACE OF BUILDING; THENCE SOUTH 82 DEGREES 43 MINUTES 10 SECONDS EAST, 10.09 FEET TO A P.K. NAIL (NEW) SAID LINE BEING PARALLEL 10' WITH THE EXISTING FACE OF BUILDING; THENCE NORTH 06 DEGREES 25 MINUTES 03 SECONDS EAST, 62.40 FEET TO A P.K. NAIL (NEW) LOCATED GENERALLY AT THE BACK OF SIDEWALK; THENCE SOUTH 82 DEGREES 42 MINUTES 14 SECONDS EAST, 105.22 FEET TO A P.K. NAIL (NEW) LOCATED GENERALLY AT THE BACK OF SIDEWALK; THENCE WITH A SEVERANCE LINE RUNNING BETWEEN THE MEDICAL CENTER NORTH BUILDING AND THE MEDICAL RESEARCH BUILDING III SOUTH 07 DEGREES 17 MINUTES 07 SECONDS WEST, 55.55 FEET TO POINT; THENCE CONTINUING WITH SAID SEVERANCE LINE SOUTH 82 DEGREES 58 MINUTES 36 SECONDS EAST, 347.19 FEET TO A P.K. NAIL (NEW); THENCE LEAVING SAID SEVERANCE LINE GENERALLY WITH FACE OF CURB THE FOLLOWING THREE CALLS: SOUTH 07 DEGREES 05 MINUTES 22 SECONDS WEST, 74.46 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE LEFT HAVING A RADIUS OF 15.90 FEET, AN ARC LENGTH OF 16.94 FEET, A CENTRAL ANGLE OF 61 DEGREES 02 MINUTES 34 SECONDS, AND A CHORD BEARING AND LENGTH OF SOUTH 24 DEGREES 54 MINUTES 58 SECONDS EAST, 16.15 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 47.48 FEET, AN ARC LENGTH OF 11.21 FEET, A CENTRAL ANGLE OF 13 DEGREES 31 MINUTES 49 SECONDS, AND A CHORD BEARING AND LENGTH OF SOUTH 56 DEGREES 24 MINUTES 07 SECONDS EAST, 11.19 FEET TO A P.K. NAIL (NEW) IN THE WESTERLY R/W OF 21ST AVENUE SOUTH; THENCE WITH THE WESTERLY R/W OF 21ST AVENUE SOUTH 07 DEGREES 17 MINUTES 24 SECONDS WEST, 437.73 FEET TO A P.K. NAIL (NEW); THENCE LEAVING 21ST AVENUE SOUTH GENERALLY WITH THE NORTHERLY AND WESTERLY FACE OF CURB OF MEDICAL CENTER DRIVE THE FOLLOWING FOUR CALLS: NORTH 82 DEGREES 50 MINUTES 03 SECONDS WEST, 224.51 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE LEFT HAVING A RADIUS OF 153.95 FEET, AN ARC LENGTH OF 158.26 FEET, A CENTRAL ANGLE OF 58 DEGREES 54 MINUTES 04 SECONDS, AND A CHORD BEARING AND LENGTH OF SOUTH 53 DEGREES 25 MINUTES 52 SECONDS WEST, 151.39 FEET TO A P.K. NAIL (NEW); THENCE SOUTH 07 DEGREES 16 MINUTES 24 SECONDS WEST, 1042.07 FEET TO A P.K. NAIL (NEW); THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 17.50 FEET, AN ARC LENGTH OF 27.48 FEET, A CENTRAL ANGLE OF 89 DEGREES 58 MINUTES 39 SECONDS, AND A CHORD BEARING AND LENGTH OF SOUTH 52 DEGREES 15 MINUTES 44 SECONDS WEST, 24.74 FEET TO A P.K. NAIL (NEW) IN THE NORTHERLY PORTION OF PIERCE AVENUE; THENCE GENERALLY WITH THE FACE OF CURB OF PIERCE AVENUE NORTH 82 DEGREES 44 MINUTES 57 SECONDS WEST, 378.86 FEET TO THE POINT OF BEGINNING.

CONTAINING 810,842 SQUARE FEET OR 18.61 ACRES, MORE OR LESS.

#### TRACT G

Being Lots Nos. 5 and 6, the westerly part of Lot No. 4 and the easterly part of Lot No. 7 on the plan of Bransford Realty Company's West End Heights Subdivision, of record in Book 332, pages 124 and 125, Register's Office for Davidson County, Tennessee, and being described according to a survey prepared by Michael V. Holmes (Tennessee Registered Land Surveyor, No. 213) of Michael V. Holmes & Associates, Inc., dated March 23, 1995, as follows:

Beginning at an iron pin in the southerly margin of West End Avenue and the northwesterly corner of the Leader Federal Savings and Loan Company's property; thence with said margin of West End Avenue, North 36 degrees 45 minutes 44 seconds East, 162.50 feet to an iron pin; thence leaving said margin of West End Avenue, South 53 degrees 53 minutes 00 seconds East, 315.00 feet to an iron pin in the northerly margin of Orleans Drive; thence with said margin of Orleans Drive, South 57 degrees 51 minutes 30 seconds West, 86.12 feet to an iron pin; thence continuing with the margin of Orleans Drive, South 62 degrees 01 minutes 04 seconds West, 91.71 feet to an iron pin; thence leaving said margin of Orleans Drive, North 53 degrees 53 minutes 00 seconds West, 244.87 feet to the point of beginning, containing 45,772.979 square feet, or 1.051 acres, more or less.

BEING THE SAME PROPERTIES CONVEYED TO THE VANDERBILT UNIVERSITY, A TENNESSEE

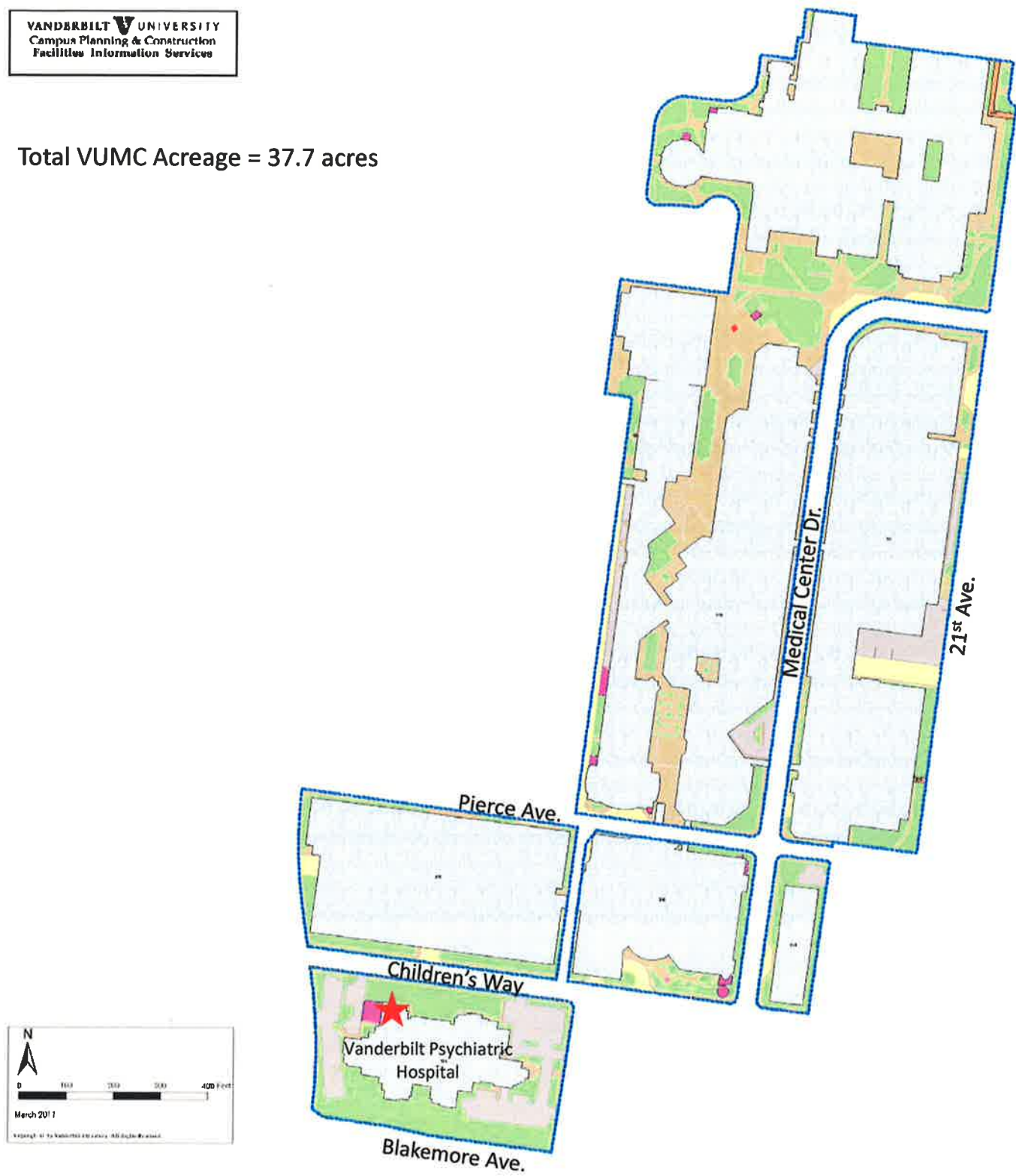


NONPROFIT CORPORATION, BY DEEDS OF RECORD IN DEED BOOK 49, PAGE 506, DEED BOOK 49, PAGE 508, BOOK 3799, PAGE 27, BOOK 3811, PAGE 588, BOOK 3812, PAGE 47, BOOK 3843, PAGE 905, BOOK 3858, PAGE 708, BOOK 3862, PAGE 859, BOOK 3884, PAGE 926, BOOK 3895, PAGE 480, BOOK 3895, PAGE 482, BOOK 3895, PAGE 486, BOOK 3898, PAGE 101, BOOK 3930, PAGE 354, BOOK 3960, PAGE 104, BOOK 3982, PAGE 883, BOOK 3986, PAGE 137, BOOK 3986, PAGE 546, BOOK 4013, PAGE 656, BOOK 4018, PAGE 863, BOOK 4027, PAGE 620, BOOK 4052, PAGE 109, BOOK, BOOK 4068, PAGE 383, BOOK 4070, PAGE 484, BOOK 4089, PAGE 918, BOOK 4101, PAGE 770, BOOK 4107, PAGE 354, BOOK 4107, PAGE 883, BOOK 4120, PAGE 246, BOOK 4122, PAGE 186, BOOK 4125, PAGE 279, BOOK 4127, PAGE 197, BOOK 4141, PAGE 352, BOOK 4153, PAGE 267, BOOK 4162, PAGE 749, BOOK 4163, PAGE 370, BOOK 4176, PAGE 790, BOOK 4197, PAGE 948, BOOK 4202, PAGE 259, BOOK 4202, PAGE 442, BOOK 4207, PAGE 722, BOOK 4222, PAGE 423, BOOK 4224, PAGE 632, BOOK 4232, PAGE 514, BOOK 4248, PAGE 954, BOOK 4293, PAGE 423, BOOK 4333, PAGE 755, BOOK 4363, PAGE 778, BOOK 4377, PAGE 262, BOOK 4400, PAGE 260, BOOK 4469, PAGE 440, BOOK 4485, PAGE 511, BOOK 4490, PAGE 744, BOOK 4500, PAGE 684, BOOK 4504, PAGE 250, BOOK 4505, PAGE 645, BOOK 4581, PAGE 747, BOOK 4589, PAGE 170, BOOK 4608, PAGE 592, BOOK 4618, PAGE 365, BOOK 4644, PAGE 727, BOOK 4664, PAGE 1, BOOK 4678, PAGE 868, BOOK 4733, PAGE 337, BOOK 4740, PAGE 351, BOOK 4746, PAGE 425, BOOK 4754, PAGE 319, BOOK 4870, PAGE 44, BOOK 4790, PAGE 385, BOOK 4833, PAGE 813, BOOK 4875, PAGE 702, BOOK 4886, PAGE 1, BOOK 4900, PAGE 460, BOOK 4904, PAGE 64, BOOK 4989, PAGE 183, BOOK 5292, PAGE 972, BOOK 5330, PAGE 369, BOOK 5330, PAGE 374, BOOK 5330, PAGE 376, BOOK 5334, PAGE 376, BOOK 5566, PAGE 949, BOOK 6491, PAGE 286, BOOK 8378, PAGE 870, BOOK 10112, PAGE 156, INSTRUMENT NO. 20020212-0018446, INSTRUMENT. NO. 20091023-0098114, INSTRUMENT NO. 20091209-0112556, INSTRUMENT NO. 20101008-0081062, INSTRUMENT NO. 20110912-0070703, INSTRUMENT NO. 20020528-0064382, IN THE REGISTER'S OFFICE FOR DAVIDSON COUNTY, TENNESSEE.

## Attachment A.6B.1

### Plot Plan

Total VUMC Acreage = 37.7 acres



VANDERBILT  
UNIVERSITY  
MEDICAL  
CENTER

Office of Space and Facilities Planning

3319 West End Avenue, Suite 200  
Nashville, TN 37203-1050 (internal 8580)

Phone: 615.875.9479

Fax: 615.343.8388

## Attachment A.6B.2

### Floor Plan



| Symbol | Description |
|--------|-------------|
|--------|-------------|

## GENERAL NOTES

1. **REVIEW** ACROSS BOARD TO DETERMINE ABOUT  
2. **REVIEW** THROUGHOUT THE RESEARCH AND  
3. **REVIEW** FOR EXISTENCE & UPGRADE  
4. **REVIEW** THE RESEARCH BOARD

- |   |                |
|---|----------------|
| x | PLAN KEY NOTES |
|---|----------------|

THIRD FLOOR  
PLAN-NOTED

Johnson Johnson  
Crabtree Architects P.C.

Attachment C.Economic  
Feasibility.1.E

Construction Letter



**BUILDING CORPORATION**

9025 Overlook Blvd., Ste. 100, Brentwood, TN 37027  
615-321-4499 • Fax 615-327-4171 • [www.orionbuilding.com](http://www.orionbuilding.com)

February 23, 2018

To whom it may concern

Re: CON Applications  
Verification of Construction cost Estimate  
VPH 3<sup>rd</sup> Floor Bed Expansion

Orion Building Corporation is a licensed General Contractor in Nashville, Tennessee. We have reviewed the Schematic Design Plans and construction program for the above referenced project.

Our review confirmed the size and scope of the project. We find the renovated area of the existing building to be approximately 6,000 sf. Based on our experience and historic cost data from similar work at VUMC, the construction cost estimate would be \$3,000,000 for this size and type of project in this area.

Sincerely,

**ORION BUILDING CORPORATION**

*C. Richard Daugherty*  
C. Richard Daugherty

Ewb:O:\Data\Estimating\Project Pricings\VUMC IRB-Poison\Cost Estimate Verification.docx

Attachment C. Economic  
Feasibility.2

Funding Documentation





*Cecelia B. Moore*  
*Chief Financial Officer and Treasurer*  
*VUMC Finance*

March 1, 2018

Ms. Melanie M. Hill  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Building  
9<sup>th</sup> Floor  
502 Deaderick St.  
Nashville, TN 37243

Dear Ms. Hill:

This letter will confirm that Vanderbilt University Medical Center has resources sufficient to fund the project described in this Certificate of Need application. Funding of the project will be provided through cash reserves.

As evidence of Vanderbilt's ability to provide the necessary capital, the following information is offered.

1. As of June 30, 2017 (date of our most recent audit), Vanderbilt University Medical Center held unrestricted cash and unrestricted investments with a fair market value of \$811M.
2. Vanderbilt University Medical Center has an investment grade credit rating of A3 from Moody's Investor Service.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Cecelia B. Moore'.

Cecelia B. Moore  
Chief Financial Officer and Treasurer  
Vanderbilt University Medical Center

Attachment C.Economic  
Feasibility.6

Financial Statements

# **Vanderbilt University Medical Center**

**Consolidated Financial Statements  
June 30, 2017 and 2016 and  
Year Ended June 30, 2017**

**Vanderbilt University Medical Center**  
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**June 30, 2017 and 2016**

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## Report of Independent Auditors

To the Board of Directors of  
Vanderbilt University Medical Center

We have audited the accompanying consolidated financial statements of Vanderbilt University Medical Center (the "Medical Center"), which comprise the consolidated balance sheets as of June 30, 2017 and June 30, 2016, and the related consolidated statement of operations, statement of changes in net assets, and statement of cash flows for the year ended June 30, 2017.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vanderbilt University Medical Center as of June 30, 2017 and June 30, 2016, and the results of its operations and its cash flows for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

October 19, 2017

**Vanderbilt University Medical Center**  
**Consolidated Balance Sheets**  
**June 30, 2017 and 2016**

| <i>(\$ in thousands)</i>   | <b>2017</b>  | <b>2016</b>  |
|--|--------------|--------------|
| <b>Assets</b>  |              |              |
| Current  |              |              |
| Cash and cash equivalents  | \$ 520,857   | \$ 596,506   |
| Current investments  | 133,977      | -            |
| Patient accounts receivable, net of allowance for bad debts<br>of \$130.5 million and \$20.2 million as of June 30, 2017 and 2016,<br>respectively | 378,704      | 343,241      |
| Estimated receivables under third-party programs   | 12,642       | 9,123        |
| Grants and contracts receivable, net   | 67,249       | 60,943       |
| Inventories  | 67,478       | 61,925       |
| Other current assets   | 69,058       | 87,020       |
| Total current assets   | 1,249,965    | 1,158,758    |
| Noncurrent investments   | 94,412       | -            |
| Noncurrent investments limited as to use   | 202,592      | 196,944      |
| Property, plant, and equipment, net  | 1,219,768    | 1,130,116    |
| Other noncurrent assets  | 34,593       | 33,166       |
| Total assets   | \$ 2,801,330 | \$ 2,518,984 |
| <b>Liabilities and Net Assets</b>  |              |              |
| Current  |              |              |
| Current installments of long-term debt   | \$ 5,753     | \$ 5,000     |
| Accounts payable and other accrued expenses  | 272,641      | 206,034      |
| Bank overdrafts  | -            | 13,846       |
| Estimated payables under third-party programs  | 37,072       | 30,990       |
| Accrued compensation and benefits  | 194,739      | 200,110      |
| Current portion of deferred revenue  | 39,353       | 38,345       |
| Current portion of medical malpractice self-insurance reserves   | 17,161       | 20,657       |
| Total current liabilities  | 566,719      | 514,982      |
| Long-term debt, net of current installments  | 1,288,346    | 1,286,063    |
| Fair value of interest rate exchange agreements  | 65,203       | 89,536       |
| Noncurrent portion of medical malpractice self-insurance reserves  | 54,373       | 67,319       |
| Noncurrent portion of deferred revenue   | 10,694       | 6,268        |
| Other noncurrent liabilities   | 15,093       | 11,641       |
| Total liabilities  | 2,000,428    | 1,975,809    |
| Net assets   |              |              |
| Unrestricted net assets controlled by Vanderbilt University<br>Medical Center  | 708,088      | 503,894      |
| Unrestricted net assets related to noncontrolling interests  | 5,891        | 5,527        |
| Total unrestricted net assets  | 713,979      | 509,421      |
| Temporarily restricted net assets  | 69,058       | 26,985       |
| Permanently restricted net assets  | 17,865       | 6,769        |
| Total net assets   | 800,902      | 543,175      |
| Total liabilities and net assets   | \$ 2,801,330 | \$ 2,518,984 |

The accompanying notes are an integral part of these consolidated financial statements.

**Vanderbilt University Medical Center**  
**Consolidated Statement of Operations**  
**Year Ended June 30, 2017**

(\$ in thousands)

|   |              |
|---|--------------|
| <b>Operating revenues</b>   |              |
| Patient service revenue, net of contractual adjustments and discounts         | \$ 3,444,438 |
| Provision for bad debts   | (109,119)    |
| Patient service revenue, net  | 3,335,319    |
| Academic and research revenue   | 416,338      |
| Other operating revenue   | 151,911      |
| Total operating revenues  | 3,903,568    |
| <b>Operating expenses</b>   |              |
| Salaries, wages, and benefits   | 2,035,263    |
| Supplies and drugs  | 699,200      |
| Facilities and equipment  | 245,731      |
| Services and other  | 604,987      |
| Depreciation and amortization   | 91,443       |
| Interest  | 48,482       |
| Total operating expenses  | 3,725,106    |
| Income from operations  | 178,462      |
| <b>Nonoperating revenues and expenses</b>                                     |              |
| Income from investments   | 21,250       |
| Gift income   | 9,770        |
| Earnings of unconsolidated organizations                                      | 3,910        |
| Unrealized gain on interest rate exchange agreements, net of cash settlements | 18,845       |
| Other nonoperating gains (losses), net  | (861)        |
| Total nonoperating revenues and expenses                                      | 52,914       |
| Excess of revenues over expenses  | 231,376      |
| Excess of revenues over expense attributable to noncontrolling interests      | (4,883)      |
| Excess of revenues over expense attributable to VUMC                          | 226,493      |
| <b>Other changes in unrestricted net assets</b>                               |              |
| Change in noncontrolling interest's net assets                                | 364          |
| Net asset reclassification  | (22,234)     |
| Other changes   | (65)         |
| Total changes in unrestricted net assets                                      | \$ 204,558   |

The accompanying notes are an integral part of these consolidated financial statements.

**Vanderbilt University Medical Center**  
**Consolidated Statement of Changes in Net Assets**  
**Year Ended June 30, 2017**

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*(\$ in thousands)*

**Unrestricted net assets**

|  |            |
|--|------------|
| Unrestricted net assets at the beginning of the period | \$ 509,421 |
| Excess of revenue over expense                         | 226,493    |
| Change in noncontrolling interest's net assets         | 364        |
| Net asset reclassification                             | (22,234)   |
| Other changes  | (65)       |
| Change in unrestricted net assets                      | 204,558    |
| Unrestricted net assets at the end of the period       | \$ 713,979 |

**Temporarily restricted net assets**

|  |           |
|--|-----------|
| Temporarily restricted net assets at the beginning of the period | \$ 26,985 |
| Contributions  | 27,681    |
| Endowment appreciation   | 749       |
| Net assets released from restrictions                            | (6,114)   |
| Net asset reclassification                                       | 19,757    |
| Change in temporarily restricted net assets                      | 42,073    |
| Temporarily restricted net assets at the end of the period       | \$ 69,058 |

**Permanently restricted net assets**

|  |           |
|--|-----------|
| Permanently restricted net assets at the beginning of the period | \$ 6,769  |
| Contributions  | 8,619     |
| Net asset reclassification                                       | 2,477     |
| Change in permanently restricted net assets                      | 11,096    |
| Permanently restricted net assets at the end of the period       | \$ 17,865 |

**Total net assets**

|                            |            |
|----------------------------|------------|
| Beginning of the period    | \$ 543,175 |
| Change in total net assets | 257,727    |
| End of the period          | \$ 800,902 |

The accompanying notes are an integral part of these consolidated financial statements.



**Vanderbilt University Medical Center**  
**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2017**

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(\$ in thousands)

**Cash flows from operating activities**

|  |                |
|--|----------------|
| Change in total net assets   | \$ 257,727     |
| Adjustments to reconcile change in total net assets to net cash provided by operating activities |                |
| Depreciation and amortization  | 91,443         |
| Amortization of debt issuance costs, and original issue premium and discount                     | (902)          |
| Provision for bad debts  | 109,119        |
| Loss on disposal of assets   | 3,409          |
| Undistributed equity in earnings of equity method affiliates                                     | (1,156)        |
| Net realized and unrealized gain on investments  | (16,371)       |
| Purchases of trading securities  | (312,072)      |
| Sales of trading securities  | 112,056        |
| Change in split-interest trusts  | (963)          |
| Unrealized gain on interest rate exchange agreements   | (24,333)       |
| Restricted contributions for endowments and property, plant, and equipment                       | (17,991)       |
| (Decrease) increase in cash due to changes in  |                |
| Patient accounts receivable  | (144,582)      |
| Inventories  | (5,553)        |
| Other assets and other liabilities, net  | 8,641          |
| Accounts payable and other accrued expenses  | 49,612         |
| Estimated net receivables and payables under third-party programs                                | 2,563          |
| Accrued compensation and benefits  | (5,372)        |
| Net cash provided by operating activities  | <u>105,275</u> |

**Cash flows from investing activities**

|  |                  |
|--|------------------|
| Purchase of property, plant, and equipment                                 | (158,729)        |
| Purchases of long-term securities  | (59,552)         |
| Sales and maturities of long-term securities                               | 52,237           |
| Change in restricted cash for property, plant, and equipment contributions | (9,371)          |
| Net cash used in investing activities                                      | <u>(175,415)</u> |

**Cash flows from financing activities**

|  |                |
|--|----------------|
| Repayment of long-term debt  | (4,583)        |
| Principal payments under capital lease obligations                         | (552)          |
| Change in bank overdrafts  | (13,846)       |
| Restricted contributions for endowments and property, plant, and equipment | 17,991         |
| Distributions to noncontrolling interests                                  | (4,519)        |
| Net cash used in financing activities                                      | <u>(5,509)</u> |
| Net change in cash and cash equivalents                                    | (75,649)       |

**Cash and cash equivalents**

|                         |                   |
|-------------------------|-------------------|
| Beginning of the period | 596,506           |
| End of the period       | <u>\$ 520,857</u> |

The accompanying notes are an integral part of these consolidated financial statements.

# **Vanderbilt University Medical Center**

## **Notes to Consolidated Financial Statements**

### **June 30, 2017 and 2016**

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#### **1. Description of Organization**

Vanderbilt University Medical Center ("VUMC") is a Tennessee not-for-profit corporation incorporated in March of 2015 to operate an academic medical center including a comprehensive research, teaching, and patient care health system (the "Medical Center"). Until April 29, 2016, the Medical Center operated as a unit within Vanderbilt University ("the University" or "VU"), as a part of the University's administrative structure, with the same governing board, legal, financial, and other shared services.

VUMC began operations effective April 30, 2016, following the closing of the sale of the Medical Center by the University (the "Acquisition"). VUMC owns and operates three hospitals primarily located on the main campus of the University in Nashville, Tennessee: Vanderbilt University Adult Hospital ("VUAH"), Monroe Carell Junior Children's Hospital at Vanderbilt ("MCJCHV"), and Vanderbilt Psychiatric Hospital ("VPH"). In addition, VUMC partially owns Vanderbilt Stallworth Rehabilitation Hospital ("VSRH"), also located on the main campus of the University, through a joint venture with HealthSouth Corp. in which VUMC holds a 50% interest, which includes a 1% interest held by Vanderbilt Health Services, LLC, ("VHS"), a VUMC wholly owned subsidiary. VUAH, MCJCHV, and VPH are licensed for 1,025 beds, and VSRH is licensed for 80 beds.

VUMC consists of two major operating divisions and an administrative overhead division. The operating divisions include the Clinical Enterprise and Academic Enterprise divisions. The administrative overhead division is referred to as Medical Center Administration ("MCA").

The Clinical Enterprise division includes the professional clinical practice revenues and related expenses of the Vanderbilt Medical Group ("VMG"), and technical revenues and associated expenses for the operation of VUMC's hospitals and clinic facilities, including VUAH, MCJCHV, and VPH. The Clinical Enterprise also includes VHS.

- VUAH is a quaternary care teaching hospital licensed for 670 acute care and specialty beds. VUAH, a Level I trauma center, provides advanced patient care and serves as a key site for medical education and clinical research conducted by physician faculty. VUAH includes a comprehensive burn center, the Vanderbilt Transplant Center, the Vanderbilt Heart and Vascular Institute, and the Vanderbilt Ingram Cancer Center.
- MCJCHV is a pediatric quaternary care teaching hospital licensed for 129 acute and specialty beds, 42 pediatric intensive care beds, and 96 neonatal intensive care beds. MCJCHV is the region's only full-service pediatric hospital, with over 30 pediatric specialties. MCJCHV serves as a site for medical education and clinical research conducted by pediatric physician faculty, houses the only Level IV neonatal intensive care center and the only Level 1 pediatric trauma center within the region, and is a regional referral center for extracorporeal membrane oxygenation (heart and lung failure).
- VPH is a psychiatric hospital licensed for 88 beds and provides both inpatient and outpatient partial hospitalization psychiatric services to both adult and adolescent patients. Also, VPH provides psychiatric assessment services and neuromodulation procedures through electroconvulsive therapy and transcranial magnetic stimulation.
- The VMG is the practice group of physicians and advanced practice nurses employed by VUMC, with faculty appointments from the University, who perform billable professional medical services. The VMG is not a separate legal entity. The VMG has a board which consists of the VUMC clinical service chiefs, who also serve as clinical department chairs. Under the oversight of VUMC executive leadership, the VMG sets professional practice standards, bylaws, policies, and procedures for the administration of a group practice. VUMC bills for services rendered by the VMG clinicians in both inpatient and outpatient locations. Collected fees derive a component of each VMG clinician's compensation.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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- The VMG includes nationally recognized physicians whose expertise spans the spectrum from primary care to the most specialized quaternary discipline. The entire clinical faculty is "board certified" or eligible for board certification. All staff members are re-credentialed every two years by the National Committee for Quality Assurance standards. All specialties and subspecialties currently recognized by the various national specialty boards are represented on the clinical faculty.
- VHS serves as a holding company for 13 health care related subsidiaries and joint ventures owned with various entities, including, but not limited to, VSRH and the Vanderbilt Health Affiliated Network ("VHAN"). VHS operations primarily consist of community physician practices, imaging services, outpatient surgery centers, radiation oncology centers, a home health care agency, a home infusion and respiratory service, an affiliated health network, and a rehabilitation hospital. These subsidiaries include clinics managed in multiple outpatient locations throughout middle Tennessee and southwestern Kentucky.

The Academic Enterprise division includes all clinically-related research, research-support activities, and faculty endeavors supporting post-graduate training programs. A significant funding source for VUMC's research has historically been the federal government. Federal funding is received from the Department of Health and Human Services, the National Institutes of Health, the Department of Defense, NASA, and other federal agencies. Sponsored research awards, including multiple-year grants and contracts from government sources, foundations, associations, and corporations signify future research commitments. Also, core activities supporting research, including advanced computing and grant administration, are included in this division.

The terms "Company," "VUMC," "we," "our" or "us" as used herein and unless otherwise stated or indicated by context, refer to Vanderbilt University Medical Center and its affiliates. The term "facilities" or "hospitals" refer to entities owned and operated by VUMC and its affiliates and the term "employees" refers to employees of VUMC and its affiliates.

VUMC operates on a fiscal year which ends on June 30. The term "Fiscal" preceding a year refers to a particular VUMC fiscal year.

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the U.S. (GAAP). Based on the existence or absence of donor-imposed restrictions, VUMC classifies resources into three categories: unrestricted, temporarily restricted, and permanently restricted net assets.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of VUMC and its wholly owned, majority-owned, and controlled organizations. Noncontrolling interests in less-than-wholly owned consolidated subsidiaries of VUMC are presented as a component of net assets to distinguish between the interests of VUMC and the interests of the noncontrolling owners. All material intercompany transactions and account balances among the various entities have been eliminated.

VUMC uses the equity method to account for its interests in unconsolidated partnerships, joint ventures, and limited liability entities over which it exercises significant influence. Investment carrying amounts are adjusted for VUMC's share of investee earnings or losses based on percentage of ownership. Distributions received from unconsolidated entities that represent returns on the investor's investment (i.e., dividends) are reported as cash flows from operating activities in the investor's statement of cash flows.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results ultimately could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents are liquid assets with minimal interest rate risk and maturities of three months or less when purchased. VUMC invests operating assets in a diversified manner. At times, VUMC may have cash and cash equivalents at a financial institution in excess of federally insured limits, and therefore, bear a risk of loss. VUMC maintains certain cash balances within the noncurrent investments limited as to use caption in the consolidated balance sheet which are not included in the cash and cash equivalents section.

**Revenue Recognition—Healthcare Services**

VUMC recognizes revenues from patient services in the period those services are provided and reports these revenues at the net realizable amount expected to be collected from patients or through the assignment or other entitlement to receive patients' benefits payable under patients' health insurance programs, plans or policies. Amounts realized from patient services are generally less than standard billing charges, due to contractual agreements with third-party payors, state-mandated discounts, governmental programs that require reduced billing rates, or amounts which prove uncollectible.

In addition to patient payments, VUMC earns revenue and reimbursements from certain services provided under federal healthcare programs, and other contracts with third-party payors. These compensation arrangements are complex programs which extend over multiple accounting periods, are subject to the interpretation of federal and state-specific reimbursement rates, new or changing legislation, and final cost report settlements. Estimated settlements under these programs are recorded in the period the related services are performed and are subsequently adjusted, as needed, based on new information.

VUMC receives periodic interim payments from Medicare in lieu of individual payments for patient claims processed by VUMC's fiscal intermediary. These payments are applied against claims processed, with the final settlement of amounts owed for a fiscal year included in the applicable Medicare cost report.

In evaluating the collectability of accounts receivable, VUMC analyzes its history and identifies trends for each of its major revenue categories to estimate the appropriate allowance for bad debts and related provision. Management regularly reviews data about these major revenue categories in evaluating the sufficiency of the allowance for bad debts, taking into consideration recent write-off experience by payor category, payor agreement rate changes, and other factors. For third-party payors, the provision is determined by analyzing contractually due amounts from payors who are known to be having financial difficulties. For self-pay patients, the provision is based on an analysis of experience related to patients' payments. The difference between the standard rate charged (less contractual adjustments and discounts) and the amount collected (after reasonable collection efforts have been exhausted) are charged against the allowance for doubtful accounts. VUMC follows established guidelines, Centers for Medicare & Medicaid Services (CMS) regulations, and IRS Reg. §1.501(r)-6 for placing certain past-due patient balances with external collection agencies. During Fiscal 2017, cash collections related to the professional and technical component of our patient accounts receivable balance exceeded the receivable recorded as of June 30, 2016 by \$40.4 million.

# **Vanderbilt University Medical Center**

## **Notes to Consolidated Financial Statements**

### **June 30, 2017 and 2016**

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VUMC provides care to patients who meet the criteria under its financial assistance policy for no payment, or at payment amounts less than its established charge rates. VUMC does not recognize the charges that qualify as charity care as revenue because VUMC does not pursue collection of these amounts.

#### **Revenue Recognition— Academic and Research**

VUMC receives funding through grants and contracts issued by departments and agencies of the U.S. government, industry, and other foundation sponsors who restrict the use of such funds to academic and research purposes. VUMC recognizes revenue from these grants and contracts upon the incurrence of allowable expenditures, as defined in the agreements governing that funding. VUMC recognizes facilities and administrative (F&A) costs recovery as revenue when revenue is recognized on the associated grant or contract. This activity represents reimbursement, primarily from the federal government, of F&A costs on sponsored activities.

Research grants and contracts receivable includes amounts due from these sponsors of externally funded research. These amounts have been billed or are billable to the sponsor. These receivables are reported net of reserves for uncollectible accounts.

#### **Deferred Revenue**

The majority of deferred revenue relates to grants and contracts whereby certain grantors pay in advance of incurring eligible costs. In these cases, VUMC records the amount received in excess of reimbursable costs incurred as deferred revenue.

#### **Gift Income and Pledges**

VUMC recognizes unconditional promises to give cash and other assets, referred to as pledges, as gift income at fair value when the pledge is received. Conditional promises to give are recognized as pledges once the conditions are substantially met. Gifts received with donor stipulations limiting the use of the donated assets are reported as either temporarily or permanently restricted support, depending on the nature of the restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as gift income in the accompanying consolidated statement of operations. Gift income is recognized when a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished. Pledges are treated as unrestricted, temporarily restricted, or permanently restricted net assets depending on the donor instructions associated with the pledge. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted net assets until the assets are placed in service, at which point they are reclassified to unrestricted net assets.

Pledges receivable are reported net of allowances for uncollectible amounts based on an analysis of past collection experience and other judgmental factors. Pledges receivable are reflected as current or noncurrent assets in the consolidated balance sheet based on the expected timing of cash flows. VUMC discounts the noncurrent portion of pledges receivables at a rate commensurate with the scheduled timing of receipt. VUMC applied discount rates ranging from 0.5% to 1.5% to amounts outstanding as of June 30, 2017 and 2016.

#### **Concentrations of Credit Risk**

VUMC grants unsecured credit to its patients, primarily residing in Nashville, Tennessee and the surrounding areas of middle Tennessee, most of whom are insured under commercial, Medicare, or TennCare agreements. Medicare, Blue Cross Blue Shield ("BCBS"), and TennCare (which includes BCBS, United, and Amerigroup) represent VUMC's significant concentrations of credit risk from payors.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**Inventories**

VUMC reports inventories at the lower of cost or market, with cost being determined on the first-in, first-out method. Inventories consist primarily of medical supplies, surgical implants, and pharmaceuticals.

**Investments**

VUMC has elected the fair value option related to investments, including investments limited as to use, and reports investments held at fair value on the consolidated balance sheets. VUMC records purchases and sales of securities on the trade dates and realized gains and losses are determined based on the average historical cost of the securities sold. VUMC reports net receivables and payables arising from unsettled trades as a component of investments.

**Property, Plant, and Equipment, Net**

VUMC records purchases of property, plant, and equipment at cost, and expenses repairs and maintenance costs as incurred. VUMC capitalizes interest cost incurred on borrowed funds during the period of construction of capital assets as a component of the cost of acquiring those assets. VUMC capitalizes donated assets at fair value on the date of donation.

Capitalized software for internal use is recorded during the application development stage. These costs include fees paid to third parties for direct costs of materials and services consumed in developing or obtaining the software; payroll related costs and capitalized interest costs. Costs for training and application maintenance in the post-implementation operation stage are expensed as incurred.

VUMC computes depreciation using the straight-line method over the estimated useful life of land improvements (3 to 18 years), buildings and leasehold improvements (2 to 37 years) and equipment (1 to 20 years). Equipment costs also include capitalized internal use software costs, which are expensed over the expected useful life, which is generally 1.5 to 12 years. VUMC assigns useful lives in accordance with American Hospital Association guidelines.

Software for internal use is amortized on a straight-line basis over its estimated useful life. In determining the estimated useful life, management considers the effects of obsolescence, technology, competition, other economic factors and rapid changes that may be occurring in the development of software products, operating systems, and computer hardware. Amortization begins once the software is ready for its intended use, regardless of when the software is placed into service.

**Impairment of Long-Lived Assets**

VUMC reviews long-lived assets, such as property, plant, and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. VUMC measures the recoverability of assets to be held and used by comparing the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, VUMC recognizes an impairment charge to the extent the carrying amount of the asset exceeds its fair value.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**Conditional Asset Retirement Costs and Obligations**

VUMC recognizes the estimated fair value of liabilities for existing legal obligations to perform certain activities, primarily asbestos removal, in connection with the retirement, disposal, or abandonment of assets. These liabilities are included in accounts payable and other accrued expenses and total \$6.0 million as of June 30, 2017, and \$5.7 million as of June 30, 2016. VUMC measures these liabilities using estimated cash flows with an inflation rate applied of 3.0% as of June 30, 2017 and 2016. VUMC discounts those cash flow estimates at a credit-adjusted, risk-free rate, which ranged from 2.9% to 4.2% as of June 30, 2017, and from 4.1% to 4.2% as of June 30, 2016, and adjusts these liabilities for accretion costs and revisions in estimated cash flows.

**Long-Term Debt**

The carrying value of VUMC's debt is the par amount adjusted for the net unamortized amount of debt issuance costs, and bond premiums and discounts.

**Interest Rate Exchange Agreements**

VUMC reports interest rate exchange agreements at fair value, which is determined to be the present value sum of future net cash settlements that reflect market yields as of the measurement date and estimated amounts that VUMC would pay, or receive, to terminate the contracts as of the report date. VUMC considers current interest rates and creditworthiness of the interest rate exchange counterparties when estimating termination settlements.

**Self-Insurance Reserves**

VUMC elects to self-insure a portion of its medical malpractice, professional, and general liability coverage via an irrevocable self-insurance trust. The maximum annual self-insurance retention was \$5.5 million per occurrence, up to \$43.0 million in the aggregate for both Fiscal 2017 and 2016. Actuarial firms determine expected losses on an annual basis, at which time VUMC records medical malpractice, professional, and general liability expense within the limits of the program. These liabilities were classified as current or noncurrent based on the expected timing of cash flows and were measured at the net present value of those cash flows using a discount rate of 2.5% as of June 30, 2017 and 2016. For both Fiscal 2017 and 2016, VUMC obtained excess medical malpractice, professional, and general liability coverage from commercial insurance carriers for claims in excess of \$5.5 million per occurrence, up to \$100.0 million. These policies would also provide coverage up to \$100.0 million if any claims in the aggregate exceed \$43.0 million.

VUMC also elects to self-insure for employee health and workers' compensation expenses. Actuarial firms determine expected losses on an annual basis. The maximum retention for workers' compensation was \$0.8 million per occurrence for both Fiscal 2017 and Fiscal 2016. There is no stop loss insurance on health plan claims.

**Income Taxes**

VUMC is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal income taxes under Section 501(a) of the Code.

**Excess of Revenues Over Expenses**

The consolidated statements of operations include excess of revenues over expenses as a performance indicator. Excess of revenues over expenses includes all changes in unrestricted net assets except for changes in noncontrolling interest holders' share of consolidated entities, reclassifications of net assets from the prior period presentation, and certain other adjustments.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**Conforming Reclassifications**

Certain amounts in the Fiscal 2016 balance sheet have been reclassified to conform to their Fiscal 2017 presentation. Compared to previously reported amounts as of June 30, 2016, the balance of accounts payable and other accrued expenses has been reduced by \$9.2 million, with a corresponding increase in other noncurrent liabilities, related to accrued rental costs. Additionally, compared to previously reported amounts as of June 30, 2016, the balance of cash and cash equivalents has been reduced by \$6.6 million, with a corresponding increase in noncurrent investments limited as to use, related to gifts restricted for usage in capital projects.

**Recent Accounting Pronouncements**

Periodically, the Financial Accounting Standards Board ("FASB") issues Accounting Standards Updates ("ASU") that may impact the recognition, measurement, and presentation of balances and activity in VUMC's consolidated financial statements, or the disclosures contained within those statements. As part of preparing financial statements, VUMC evaluates the effects of the ASUs, and applies the updated guidance within the required effective dates.

During Fiscal 2017, VUMC adopted ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (i) provide a definition of the term substantial doubt, (ii) provide principles for considering the mitigating effect of management's plans, (iii) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (iv) require an express statement and other disclosures when substantial doubt is not alleviated, and (v) require an assessment for a period of one year after the date that the financial statements are issued, or available to be issued. The adoption of ASU No. 2014-15 had no effect on VUMC's financial statements.

Following is a summary of ASUs which VUMC believes have a reasonably possible likelihood of having a material effect on the recognition, measurement, and presentation of balances and activity in VUMC's consolidated financial statements:

- In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, which is a principles-based standard on revenue recognition. Companies across all industries will use a five-step model to recognize revenue from customer contracts. The new standard, which replaces nearly all existing GAAP revenue recognition guidance, will require significant management judgment in addition to changing the way many companies recognize revenue in their financial statements. The FASB subsequently issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations*, ASU No. 2016-10, *Revenue from Contracts with Customer (Topic 606) Identifying Performance Obligations and Licensing*, and ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients* to address issues arising from implementation of the new revenue recognition standard. For VUMC, the revised ASU will be adopted for Fiscal 2019. VUMC continues to evaluate the effects the adoption of this standard will have on our consolidated financial statements and disclosures.
- In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize assets and liabilities for most leases. ASU 2016-02's transition provisions will be applied using a modified retrospective approach at the beginning of the earliest comparative period presented in the financial statements. For VUMC, the amendments in ASU 2016-02 are effective for Fiscal 2020, although early adoption is permitted. VUMC expects the primary effect of adopting the new standard to be a requirement to record assets and offsetting obligations for current operating leases.



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- In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which, among other things, replaces the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) with a model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." Differences in the nature of donor restrictions will be disclosed in the notes, with an emphasis on how and when the resources can be used. ASU 2016-14 also provides guidance for classifying deficiencies in endowment funds, accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment, and providing information about how the nature of expenses relates to programs and supporting activities. For VUMC, ASU 2016-14 is effective for Fiscal 2019, although early adoption is permitted. ASU 2016-14's requirements must be applied retrospectively; however, entities can elect not to provide certain comparative disclosures in the year of adoption.
- In January 2017, the FASB issued ASU 2017-02, *Clarifying When a Not-for-Profit Entity That Is a General Partner or a Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity*. Under the new guidance, Not-for-Profit (NFP) investors in a limited partnership or similar entity will continue to apply a presumption that the general partner has control and should consolidate the investment unless substantive kick-out or participating rights held by any limited partners overcome that presumption. If the general partner does not have control, the limited partners have to evaluate whether they have control. If a limited partner has control, consolidation is required unless the investment is part of a portfolio for which the NFP "portfolio-wide" fair value option has been elected. In that situation, the limited partner can instead report its interest at fair value, mirroring an exception that already exists for NFP general partners. For VUMC, ASU 2017-02 is effective for Fiscal 2018.

**3. Acquisitions**

On April 29, 2016, VUMC acquired the assets, liabilities, rights, and obligations of the clinical enterprise, post-graduate medical training programs and clinically-related research of the University owned and operated Medical Center for consideration of \$1.23 billion ("the Acquisition"). To fund the Acquisition, VUMC entered into certain debt agreements to borrow \$1.13 billion of publically and privately placed debt and committed to a \$100.0 million subordinate note to the University payable over twenty years (May 2016 through April 2036). VUMC paid VU cash of \$1.13 billion to acquire the Medical Center assets and liabilities which included \$529.0 million of cash. The net cash paid of \$601.0 million represents the \$1.13 billion of cash paid to VU net of the \$529.0 million of cash included in the assets acquired. In addition to the cash consideration paid and subordinate note payable, VUMC committed to additional consideration in the form of other payables of \$31.7 million; a \$12.0 million commitment to fund trans-institutional programs and a \$19.7 million memorandum of understanding ("MOU") to fund certain University capital projects both of which were previously agreed to be funded by the Medical Center. These Medical Center assets and operations were used to form the two major operating divisions of VUMC.

VUMC accounted for the Acquisition using the acquisition method of accounting under ASC 805-10-05-4 as modified by ASC 958-805-25, whereby the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity are recognized and measured at their fair values on the date VUMC obtained control of the Medical Center. The Acquisition resulted in an inherent contribution from the University totaling \$509.0 million. The inherent contribution is a result of the University's interest in the success of VUMC and the shared missions of the two organizations which are memorialized in the agreements discussed within this note. No goodwill was recorded as a result of this transaction.

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The table below summarized the allocation of the purchase price (including assumed liabilities) for the Medical Center as of the acquisition date:

*(\$ in thousands)*

|  |                   |
|--|-------------------|
| <b>Identifiable net assets contributed</b> |                   |
| Current assets                             | \$ 492,709        |
| Property, plant, and equipment             | 1,121,845         |
| Other noncurrent assets                    | 207,101           |
| Liabilities                                | (574,466)         |
| Noncontrolling interests                   | (5,502)           |
| Total identifiable net assets contributed  | <u>1,241,687</u>  |
| Less: Total consideration paid to VU       |                   |
| Net cash consideration paid                | 600,971           |
| Note payable to VU                         | 100,000           |
| Other VU payables                          | 31,700            |
| Total consideration                        | <u>732,671</u>    |
| Inherent contribution from VU              | <u>\$ 509,016</u> |

The inherent contribution from VU is included in the following fund balances from April 29, 2016, the date of the Acquisition:

*(\$ in thousands)*

|                                     |                   |
|-------------------------------------|-------------------|
| Unrestricted                        | \$ 476,895        |
| Temporarily restricted              | 25,360            |
| Permanently restricted              | 6,761             |
| Total inherent contribution from VU | <u>\$ 509,016</u> |

The assets acquired and liabilities assumed from the Acquisition were detailed in a Master Transfer and Separation Agreement ("MTSA"). In addition to the explanation of the transaction details pertaining to the Medical Center assets and liabilities, the MTSA contains the framework for the ongoing economic relationship between VUMC and the University. The relationship is memorialized in the form of an Academic Affiliation Agreement ("AAA"), a Trademark License Agreement ("TMLA"), a Ground Lease, and a Reciprocal Master Services Agreement ("MSA").

#### **4. Related Parties**

After the Acquisition, when control of the assets necessary to operate VUMC transferred from VU, VUMC has operated as a 501(c)(3) not-for-profit corporation, governed by a separate and autonomous board apart from the governance of VU; VUMC is responsible for its debt and liabilities, separate and apart from the University. At legal separation, VUMC and VU entered into several agreements that govern the relationship between the two entities moving forward as described below.

- The AAA outlines the ongoing academic, research, and clinical affiliation between the University and VUMC for all of the University's degree-granting, certificate and research programs. The AAA allocates responsibility between the University and VUMC for jointly

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administered academic and residency programs and is an exclusive agreement between VUMC and VU requiring VUMC to be organized, governed, and operated in a manner that supports VU's academic and research mission. The agreement provides that VU will be the exclusive academic affiliate of VUMC and VUMC will be the exclusive clinical affiliate of VU.

The AAA requires VUMC to pay VU an annualized fee of \$70.0 million in equal monthly payments adjusted annually for inflation based upon the Biomedical Research and Development Price Index (BRDPI) in perpetuity under certain mutually agreed upon termination or default clauses. During Fiscal 2017, VUMC recorded operating expenses totaling \$71.5 million in connection with fees due under the AAA.

The AAA required a one-time \$12.0 million commitment to fund trans-institutional programs with the University. VUMC paid this commitment in June 2017. This commitment was recorded as additional consideration in the Acquisition, as discussed in Note 3—Acquisitions.

- Under the TMLA, the University grants, subject to certain consents and approvals, a perpetual license to use various University-owned licensed marks in connection with VUMC's fundamental activities after the Acquisition date. The licensed marks, which VUMC will continue to use as its primary brands, include virtually all those currently in use by VUMC. This agreement requires VUMC to pay VU a monthly royalty payment equal to 1.0% of all operating revenues (as defined in the TMLA) of VUMC and a percentage of net income (0% in Fiscal 2017, 5% in Fiscal 2018, 10% in Fiscal 2019, and 15% in Fiscal 2020 and beyond) from operations (as defined in the TMLA). Also, VUMC is required to pay VU, in equal monthly installments, an annualized fee of \$61.8 million, increasing by 3% annually, and reduced by the amount of principal payments made under the subordinate note payable to VU discussed in Note 12—Long-Term Debt. This agreement is in force in perpetuity under certain mutually agreed upon termination or default clauses. During Fiscal 2017, VUMC recorded operating expenses totaling \$96.0 million in connection with fees due under the TMLA.
- The Ground Lease is an agreement between VU and VUMC that allows VUMC to use the land on which VUMC's campus and related buildings are located. The initial term of the Ground Lease ends June 30, 2114, with the option to extend the lease for two additional terms of up to fifty to ninety-nine years each with agreement between VU and VUMC. The lease covers 1.7 million square feet or 38.75 acres of space with an annual base rent of \$18.0 million payable monthly and CPI adjusted annually beginning in Fiscal 2017. During Fiscal 2017, VUMC recorded operating expenses totaling \$18.1 million in connection with fees due under the Ground Lease.
- The University and VUMC provide services to one another for agreed-upon consideration as outlined in the MSA. VU will provide services to VUMC such as information technology infrastructure support, utilities, and law enforcement staffing. VUMC will provide various operational services for the University such as student health centers, a psychological counseling center, and animal care. Additionally, the MSA encompasses an Employee Matters Agreement (EMA) and specific Employee Service Agreements (ESAs). The EMA and ESAs govern employee transitions and on-going sharing between VU and VUMC in various capacities, such as research, teaching, clinical, and other administrative services. Services under the MSA can be terminated by either party subject to pre-determined cancellation notification periods. In connection with the MSA, during Fiscal 2017, VUMC recognized revenue totaling \$50.8 million and recorded operating expenses totaling \$121.3 million.

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- Also, as part of the Acquisition, VUMC issued to VU a \$100.0 million subordinate promissory note payable, which is further described in Note 12—Long-Term Debt, with a balance of \$94.6 million as of June 30, 2017, and \$99.2 million as of June 30, 2016. During Fiscal 2017, VUMC recorded interest expense totaling \$3.1 million associated with this subordinate promissory note payable to VU.

The impact of these related party agreements in the statement of operations during Fiscal 2017 is as follows:

*(\$ in thousands)*

|                               |                   |
|-------------------------------|-------------------|
| Other operating revenues      | \$ 50,847         |
| Operating expenses            |                   |
| Salaries, wages, and benefits | \$ 700            |
| Supplies and drugs            | 338               |
| Facilities and equipment      | 53,989            |
| Services and other            | 251,884           |
| Interest                      | 3,148             |
| Total operating expenses      | <u>\$ 310,059</u> |

Other current assets include amounts receivable from VU, which totaled \$5.8 million as of June 30, 2017, and \$21.2 million as of June 30, 2016. Accounts payable and other accrued expenses include amounts payable to VU, which totaled \$30.0 million as of June 30, 2017, and \$26.2 million as of June 30, 2016, for services provided to VUMC under the MSA. As of June 30, 2017, the receivable from VU relates to services provided by VUMC to VU under the MSA. As of June 30, 2016, \$17.3 million of the receivable from VU represents the final settlement of the Acquisition, with the remainder relating to services provided by VUMC to VU under the MSA.

In the normal course of business, members of VUMC's Board of Directors or VUMC employees may be directly or indirectly associated with companies engaged in business activities with VUMC. VUMC has a written conflict of interest policy that requires, among other things, that members of the VUMC community (including trustees) may not review, approve, or administratively control contracts or business relationships when (i) the contract or business relationship is between VUMC and a business in which the individual or a family member has a material financial interest or (ii) the individual or a family member is an employee of the business and is directly involved with activities pertaining to VUMC.

Furthermore, VUMC's conflict of interest policy extends beyond the foregoing business activities in that disclosure is required for any situation in which an applicable individual's financial, professional, or other personal activities may directly or indirectly affect, or have the appearance of affecting, an individual's professional judgment in exercising any VUMC duty or responsibility, including the conduct or reporting of research.

The policy extends to all members of the VUMC community (including trustees, faculty, and staff and their immediate family members). Each applicable person is required to certify compliance with the conflict of interest policy on an annual basis. This certification includes specifically disclosing whether VUMC conducts business with an entity in which he or she (or an immediate family member) has a material financial interest as well as any other situation that could appear to present a conflict with VUMC's best interests.

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When situations exist relative to the conflict of interest policy, VUMC takes active measures to manage appropriately the actual or perceived conflict in the best interests of VUMC, including periodic reporting of the measures taken to the Board of Directors Audit Committee.

**5. Patient Service Revenue, Patient Accounts Receivable, and Estimated Third-party Settlements**

The sources of patient service revenues, net, for Fiscal 2017 are as follows:

|                           |                |
|---------------------------|----------------|
| Commercial/managed care   | 63.5 %         |
| Medicare/Managed Medicare | 22.8           |
| TennCare/Medicaid         | 12.2           |
| Uninsured (self-pay)      | 1.5            |
|                           | <u>100.0 %</u> |

Patient service receivables, net, comprise the following as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>   | <b>2017</b>       | <b>2016</b>       |
|--|-------------------|-------------------|
| Patient accounts receivable, net of contractual adjustments and discounts <sup>(1)</sup> | \$ 509,180        | \$ 363,459        |
| Allowance for bad debts <sup>(1)</sup>   | <u>(130,476)</u>  | <u>(20,218)</u>   |
| Patient accounts receivable, net   | <u>\$ 378,704</u> | <u>\$ 343,241</u> |

<sup>(1)</sup> At the Acquisition, patient accounts receivable were recorded at their fair value, thus the opening balance of the allowance for bad debts was zero. The allowance as of June 30, 2016 represents two months of activity post-Acquisition.

Patient accounts receivable, net of related contractual adjustments, discounts, and bad debt allowances comprise amounts due from the following sources as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>                                | <b>2017</b>       | <b>2016</b>       |
|---|-------------------|-------------------|
| Medicare  | \$ 56,890         | \$ 51,238         |
| TennCare/Medicaid                                       | 55,207            | 51,769            |
| Blue Cross  | 77,514            | 76,847            |
| Other third-party payors, primarily commercial carriers | 149,049           | 127,828           |
| Patient responsibility <sup>(1)</sup>                   | <u>40,044</u>     | <u>35,559</u>     |
| Patient accounts receivable, net                        | <u>\$ 378,704</u> | <u>\$ 343,241</u> |

<sup>(1)</sup> Includes self-pay after insurance.

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Estimated third-party settlements by major payor category as of June 30, 2017 and 2016, are as follows:

| (\$ in thousands)                            | 2017             | 2016             |
|--|------------------|------------------|
| Receivables under third-party programs       |                  |                  |
| Tricare/Champus                              | \$ 4,712         | \$ 9,123         |
| Medicare                                     | 7,930            | -                |
| Total receivables under third-party programs | <u>\$ 12,642</u> | <u>\$ 9,123</u>  |
| Payables under third-party programs          |                  |                  |
| TennCare/Medicaid                            | \$ 37,072        | \$ 12,385        |
| Medicare                                     | -                | 18,024           |
| Other  | -                | 581              |
| Total payables under third-party programs    | <u>\$ 37,072</u> | <u>\$ 30,990</u> |

Certain contracts require pay for performance or episode of care settlements whereby VUMC receives additional payment or pays a penalty based on ability to achieve certain clinical measures or manage the cost of care for patients within various thresholds. VUMC estimates and accrues these adjustments in the period the related services are rendered, and adjusts these estimates in future periods as settlements are finalized. The aggregate liability associated with pay for performance and episode of care settlements at June 30, 2017 and 2016, was \$1.7 million and \$0.6 million, respectively, with the ultimate resolution of such financial arrangements not expected to have a material impact on the operating results of VUMC.

*Medicare*

Amounts received under Medicare are subject to review and final determination by program intermediaries or their agents. Final settlements have been reached for program periods ended June 30, 2011. Final settlements have not been reached for more recent years due to audit delays experienced with the Medicare Administrative Contractor. VUMC expects final settlements relative to periods through June 30, 2013, to be complete during Fiscal 2018. Years without final settlement determinations are subject to audit by program representatives. VUMC records provisions in the financial statements for the effects of estimated final settlements. The receivable above is presented net of these provisions.

*TennCare*

TennCare is a Medicaid managed care program implemented by the State of Tennessee to provide healthcare coverage to those patients eligible for Medicaid, through the Federal 1115 Waiver Program. VUMC contracts with each of the three TennCare managed care organizations (MCOs), which offer health maintenance organization (HMO) and Medicare Special Needs Products for Dual Eligible Enrollees. VUMC receives inpatient reimbursement through payments that are primarily based on the Medicare severity diagnostic related group system (MS-DRG) for these plans. VUMC receives outpatient payments generally based on an ambulatory payment classification system (APC), and/or a payor-developed fee schedule.

In accordance with the Tennessee Hospital Assessment Act, VUMC receives a payment of a portion of its unreimbursed TennCare costs based upon VUMC's share of uninsured TennCare costs for all of the covered hospitals.

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There is no assurance that this program will be continued or will not be materially modified in the future. In Fiscal 2017, patient service revenues, net, include the following supplemental amounts from TennCare:

*(\$ in thousands)*

|  |    |                 |
|--|----|-----------------|
| Essential access   | \$ | 13,731          |
| Disproportionate share                                     |    | 11,078          |
| Trauma fund  |    | 1,798           |
| Graduate medical education                                 |    | 14,117          |
| Reserve for disproportionate share audit                   |    | <u>(27,593)</u> |
| Total supplemental TennCare revenue, net of audit reserves | \$ | <u>13,131</u>   |

**6. Charity Care Assistance, Community Benefits, and Other Unrecovered Costs**

VUMC maintains a policy which sets forth the criteria under which health care services are provided to patients who have minimal financial resources to pay for medical care. Additionally, VUMC provides other services that benefit the economically disadvantaged for which little or no payment is expected.

Charity care is determined by examining patient and family income relative to the federal poverty guidelines. VUMC provides additional discounts based on the income level of the patient household using a sliding scale for those patients with a major catastrophic medical event not qualifying for full charity assistance. Tennessee law mandates that all uninsured patients receive a discount from billed charges for medically necessary services. These amounts are classified as charity care if the patient meets charity care criteria, for which no revenue is recorded, or as a discount, and included as a part of discounts and contractual adjustments.

VUMC maintains records to identify and monitor the level of charity care provided, and these records include gross charges and patient deductibles, coinsurance and copayments forgone for services furnished under its charity care policy, and the estimated cost of those services. VUMC calculates a ratio of total costs to gross charges and then multiplies the ratio by foregone charity care charges in determining the estimated cost of charity care. The gross amount of foregone charity care revenues in Fiscal 2017 total \$261.1 million. The estimated cost of providing care to charity patients in Fiscal 2017 totals \$70.8 million, an amount which has been reduced by any reimbursements from governmental assistance programs to subsidize its care of indigent patients.

In addition to the charity care services described above, TennCare/Medicaid and state indigent programs do not cover the full cost of providing care to beneficiaries of those programs. As a result, in addition to direct charity care costs, VUMC provided services related to TennCare/Medicaid and state indigent programs and was reimbursed substantially below the cost of rendering such services. VUMC also provides public health education and training for new health professionals and provides, without charge, services to the community at large, together with support groups for many patients with special needs.

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**7. Academic and Research Revenue, and Grants and Contracts Receivable, Net**

Academic and research revenue comprises the following for Fiscal 2017:

*(\$ in thousands)*

|  |                   |
|--|-------------------|
| Grants and contracts revenue                 |                   |
| Federally funded                             | \$ 234,389        |
| Nonfederally funded                          | <u>93,762</u>     |
|  | 328,151           |
| Facilities and administrative costs recovery | <u>88,187</u>     |
| Facilities and administrative costs recovery | <u>\$ 416,338</u> |

Grants and contracts receivable comprise the following as of June 30, 2017 and 2016:

*(\$ in thousands)*

|  | <b>2017</b>      | <b>2016</b>      |
|--|------------------|------------------|
| Federally funded                           | \$ 31,603        | \$ 33,353        |
| Nonfederally funded                        | <u>37,192</u>    | <u>28,331</u>    |
|  | 68,795           | 61,684           |
| Allowance for bad debts                    | <u>(1,546)</u>   | <u>(741)</u>     |
| Total grants and contracts receivable, net | <u>\$ 67,249</u> | <u>\$ 60,943</u> |



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**8. Pledges Receivable, net**

Pledges receivable, net of applied discounts and allowance for uncollectible pledges as of June 30, 2017 and 2016 were as follows:

| <i>(\$ in thousands)</i>              | <b>2017</b>      | <b>2016</b>      |
|---------------------------------------|------------------|------------------|
| Amounts due                           |                  |                  |
| Within one year                       | \$ 7,022         | \$ 6,136         |
| In one to five years                  | 12,417           | 7,928            |
| Total pledges receivable              | <u>19,439</u>    | <u>14,064</u>    |
| Unamortized discount                  | <u>(449)</u>     | <u>(266)</u>     |
|                                       | 18,990           | 13,798           |
| Allowance for uncollectible pledges   | <u>(1,934)</u>   | <u>(65)</u>      |
| Net pledges receivable                | <u>\$ 17,056</u> | <u>\$ 13,733</u> |
| Net pledges receivable classified as  |                  |                  |
| Current                               | \$ 5,785         | \$ 6,070         |
| Noncurrent                            | 11,271           | 7,663            |
|                                       | <u>\$ 17,056</u> | <u>\$ 13,733</u> |
| Net pledges receivable by asset class |                  |                  |
| Unrestricted                          | \$ 105           | \$ 194           |
| Temporarily restricted                | 14,475           | 13,347           |
| Permanently restricted                | 2,476            | 192              |
|                                       | <u>\$ 17,056</u> | <u>\$ 13,733</u> |

In addition to pledges reported as pledges receivable, VUMC had cumulative bequest intentions and conditional promises to give totaling \$43.0 million as of June 30, 2017, and \$37.7 million as of June 30, 2016. Due to their conditional nature, VUMC does not recognize intentions to give as assets.

**9. Other Relevant Financial Information**

Other current assets comprise the following as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>  | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
| Prepaid expenses  | \$ 20,137        | \$ 23,243        |
| Other receivables   | 27,363           | 28,274           |
| Amounts due from VU (see Note 4—Related Parties)                      | 5,814            | 21,178           |
| Current pledges receivable, net (see Note 8— Pledges Receivable, net) | 5,785            | 6,070            |
| Expected recoveries from commercial insurance carriers                | 4,028            | 6,759            |
| Other   | 5,931            | 1,496            |
| Total other current assets  | <u>\$ 69,058</u> | <u>\$ 87,020</u> |

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Other noncurrent assets comprise the following as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>  | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
| Equity in unconsolidated organizations                              | \$ 20,184        | \$ 19,028        |
| Noncurrent pledges receivable (see Note 8— Pledges Receivable, net) | 11,271           | 7,663            |
| Other   | 3,138            | 6,475            |
| <b>Total other noncurrent assets</b>                                | <b>\$ 34,593</b> | <b>\$ 33,166</b> |

Other operating revenue comprises the following for Fiscal 2017:

|   |                   |
|---|-------------------|
| <i>(\$ in thousands)</i>  |                   |
| Amounts recognized under MSA with VU (see Note 3—Acquisitions and Note 4—Related Parties) | \$ 50,847         |
| Clinical contracts  | 25,304            |
| Medical services provided during air transports   | 10,561            |
| Resident and house staff rotations  | 9,147             |
| Other   | 56,052            |
| <b>Total other operating revenue</b>  | <b>\$ 151,911</b> |

In Fiscal 2017, noncash investing and financing activities totaled \$9.0 million related to property, plant, and equipment expenditures financed through the product financing arrangement and capital leases discussed in Note 12—Long-Term Debt.

**10. Investments**

VUMC investment balances are as follows as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>      | <b>2017</b>       | <b>2016</b>       |
|-------------------------------|-------------------|-------------------|
| <b>Current</b>                |                   |                   |
| Unrestricted investments      | \$ 133,977        | \$ -              |
|                               | 133,977           | -                 |
| <b>Noncurrent</b>             |                   |                   |
| Unrestricted investments      | 94,412            | -                 |
| Investments limited as to use | 202,592           | 196,944           |
|                               | 297,004           | 196,944           |
|                               | <b>\$ 430,981</b> | <b>\$ 196,944</b> |

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VUMC investments include assets limited as to use related to the following specified purposes as of June 30, 2017 and 2016:

| (\$ in thousands)   | 2017              | 2016              |
|---|-------------------|-------------------|
| Assets held in trust                                      |                   |                   |
| Self-insured malpractice program                          | \$ 69,849         | \$ 79,280         |
| Self-insured workers' compensation program <sup>(1)</sup> | -                 | 9,040             |
|   | <u>69,849</u>     | <u>88,320</u>     |
| Internally designated                                     | <u>85,865</u>     | <u>79,380</u>     |
| Externally designated                                     |                   |                   |
| Donor-designated gifts for capital assets                 | 31,248            | 22,315            |
| Donor endowments  | 8,283             | 545               |
| Split-interest trusts                                     | 7,347             | 6,384             |
|   | <u>46,878</u>     | <u>29,244</u>     |
|   | <u>\$ 202,592</u> | <u>\$ 196,944</u> |

(1) In Fiscal 2017, VUMC obtained a surety bond to meet state security requirements for its self-insured workers' compensation program, eliminating the need to set aside investments for this purpose.

Endowment-related assets include both donor-restricted endowment funds, included in externally designated, and board designated institutional funds, included in internally designated. VUMC's endowment does not include gift annuities, interests in trusts held by others, contributions pending donor designation, or contributions receivable.

The Board of Director's interpretation of its fiduciary responsibilities for donor-restricted endowments under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requirements is to preserve intergenerational equity, barring the existence of any donor-specific provisions. Under this broad guideline, future endowment beneficiaries should receive at least the same level of real economic support as the current generation. The overarching objective is to preserve and enhance the real (inflation-adjusted) purchasing power of the endowment in perpetuity. VUMC invests assets to provide a relatively predictable and stable stream of earnings to meet spending needs and attain long-term return objectives without the assumption of undue risks.

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Investments were as follows as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>                     | <b>2017</b>       | <b>2016</b>       |
|--|-------------------|-------------------|
| Corporate bonds                              | \$ 119,045        | \$ -              |
| Equity mutual funds                          | 112,704           | 88,565            |
| Restricted cash                              | 32,569            | 22,956            |
| Split-interest trusts                        | 7,347             | 6,384             |
| Hedged equity funds                          | 14,759            | 14,740            |
| Fixed income mutual funds                    | 38,211            | 35,377            |
| Certificates of deposit                      | 38,657            | -                 |
| Asset-backed securities                      | 21,779            | -                 |
| Real estate mutual funds                     | 16,206            | 13,398            |
| Commercial paper                             | 11,609            | -                 |
| Government bonds                             | 9,097             | 9,019             |
| Hedged debt funds                            | 5,178             | 3,200             |
| Commodities and managed futures mutual funds | 3,820             | 3,305             |
| Total investments, at fair value             | <u>\$ 430,981</u> | <u>\$ 196,944</u> |

Investment returns comprise the following elements for Fiscal 2017:

|   |                  |
|---|------------------|
| <i>(\$ in thousands)</i>                      |                  |
| Interest and dividend income                  | \$ 8,417         |
| Net realized gains on sales of securities     | <u>3,493</u>     |
| Realized investment gains, before fees        | 11,910           |
| Unrealized investment gains and losses, net   | <u>12,878</u>    |
| Total investment returns before fees          | 24,788           |
| Investment manager and trustee fees and other | <u>(3,538)</u>   |
| Total income from investments                 | <u>\$ 21,250</u> |

VUMC has exposure to risks including liquidity, interest rate, counterparty, basis, regulatory, market, and credit risks for marketable securities. Due to the level of risk exposure, it is possible that material near-term valuation changes for investment securities may occur.

VUMC manages all investments, including endowments, as an investment pool.

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**11. Property, Plant, and Equipment, Net**

Property, plant, and equipment comprise the following as of June 30, 2017 and 2016:

| <i>(\$ in thousands)</i>                  | <b>2017</b>         | <b>2016</b>         |
|---|---------------------|---------------------|
| Land and land improvements                | \$ 27,762           | \$ 18,117           |
| Buildings and improvements                | 893,728             | 863,023             |
| Equipment                                 | 205,357             | 164,395             |
| Construction in progress                  | 196,828             | 98,860              |
| Property, plant, and equipment at cost    | <u>1,323,675</u>    | <u>1,144,395</u>    |
| Accumulated depreciation and amortization | <u>(103,907)</u>    | <u>(14,279)</u>     |
| Property, plant, and equipment, net       | <u>\$ 1,219,768</u> | <u>\$ 1,130,116</u> |

As part of the MTSA, VUMC acquired land and land improvements, and buildings and improvements which are not allowed to be repurposed without the express consent of VU.

Property, plant, and equipment balances above include the following amounts related to capitalized internal use software:

| <i>(\$ in thousands)</i>                | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
| Equipment                               | \$ 6,287         | \$ 5,800         |
| Construction in progress <sup>(1)</sup> | <u>92,478</u>    | <u>33,378</u>    |
|   | 98,765           | 39,178           |
| Accumulated amortization                | <u>(2,230)</u>   | <u>(319)</u>     |
| Internal use software, carrying value   | <u>\$ 96,535</u> | <u>\$ 38,859</u> |

<sup>(1)</sup> As of June 30, 2017 and 2016, construction in progress includes \$24.9 million and \$3.0 million, respectively, of internal costs, primarily payroll and payroll-related costs for employees directly associated with and who devoted time to internal use software.

As of June 30, 2017 and 2016, internal use software capitalized includes \$92.5 million and \$33.4 million, respectively, of costs related to the implementation of an integrated electronic health record and revenue cycle system. The system is scheduled to go-live in November 2017. Once the software is ready for its intended use, these costs will be amortized over the estimated 12 year life. VUMC anticipates approximately \$130 million of capitalizable internal software costs related to this project. In addition to internal use software, VUMC has capitalized \$23.8 million of hardware costs related to this project and does not anticipate incurring material amounts of additional hardware costs through the go-live date.

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Depreciation and amortization comprised the following amounts in Fiscal 2017:

(\$ in thousands)

|   |                  |
|---|------------------|
| Depreciation of tangible assets   | \$ 82,836        |
| Amortization of capital leases, leasehold improvements, and internal use software | 8,607            |
| <b>Total depreciation and amortization</b>  | <b>\$ 91,443</b> |

In Fiscal 2017, VUMC capitalized interest of \$1.1 million related to long-term capital projects, primarily internal use software costs. As of June 30, 2017 there were \$16.7 million of capital expenditures incurred but not yet paid. These costs are included in accounts payable and other accrued expenses on the consolidated balance sheet.

**12. Long-Term Debt**

Long-term debt comprises the following as of June 30, 2017 and 2016:

|                                    | <b>2017</b>            |                                | <b>2016</b>            |                                |
|------------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
|                                    | <b>Carrying Amount</b> | <b>Effective Interest Rate</b> | <b>Carrying Amount</b> | <b>Effective Interest Rate</b> |
| (\$ in thousands)                  |                        |                                |                        |                                |
| <b>2016 Series Debt, at par</b>    |                        |                                |                        |                                |
| Fixed-rate debt                    |                        |                                |                        |                                |
| Series 2016A                       | \$ 476,930             | 4.1 %                          | \$ 476,930             | 4.3 %                          |
| Series 2016B                       | 300,000                | 4.1 %                          | 300,000                | 4.3 %                          |
| <b>Total fixed-rate debt</b>       | <b>776,930</b>         | <b>4.1 %</b>                   | <b>776,930</b>         | <b>4.3 %</b>                   |
| Variable-rate debt                 |                        |                                |                        |                                |
| Series 2016C                       | 50,000                 | 2.2 %                          | 50,000                 | 1.9 %                          |
| Series 2016D                       | 100,000                | 3.3 %                          | 100,000                | 3.2 %                          |
| Series 2016E                       | 128,070                | 3.2 %                          | 128,070                | 3.0 %                          |
| Series 2016F                       | 75,000                 | 3.3 %                          | 75,000                 | 3.1 %                          |
| <b>Total variable-rate debt</b>    | <b>353,070</b>         | <b>3.1 %</b>                   | <b>353,070</b>         | <b>2.9 %</b>                   |
| <b>Total 2016 Series Debt, par</b> | <b>1,130,000</b>       |                                | <b>1,130,000</b>       |                                |
| <b>Other long-term debt</b>        |                        |                                |                        |                                |
| Note payable to VU                 | 94,583                 | 3.2 %                          | 99,166                 | 3.2 %                          |
| Product financing arrangement      | 22,273                 | 4.0 %                          | 14,977                 | 4.1 %                          |
| Capital leases                     | 1,448                  | 4.5 %                          | -                      |                                |
| <b>Subtotal<sup>(1)</sup></b>      | <b>1,248,304</b>       | <b>3.8 %</b>                   | <b>1,244,143</b>       | <b>3.9 %</b>                   |
| Net unamortized premiums           | 57,467                 |                                | 59,328                 |                                |
| Net unamortized issuance costs     | (11,672)               |                                | (12,408)               |                                |
| <b>Total long-term debt</b>        | <b>1,294,099</b>       |                                | <b>1,291,063</b>       |                                |
| Current portion                    | (5,753)                |                                | (5,000)                |                                |
| <b>Long-term debt, net</b>         | <b>\$ 1,288,346</b>    |                                | <b>\$ 1,286,063</b>    |                                |

<sup>(1)</sup> The effective interest rate, 3.8% as of June 30, 2017, and 3.9% as of June 30, 2016, is presented exclusive of interest rate exchange agreements discussed in Note 13—Interest Rate Exchange Agreements. Inclusive of these agreements, the overall portfolio effective interest rate was 4.2%.

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On April 29, 2016, VUMC issued the Series 2016 A,B,C,D,E, and F bonds ("2016 Series Debt") and notes aggregating \$1.278 billion of proceeds for the purpose of financing the Medical Center Acquisition and paying a portion of the costs of issuance associated with the 2016 Series Debt.

The bonds and notes comprising the 2016 Series Debt were issued by the Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (HEFB). As a conduit issuer, the HEFB loaned the debt proceeds to VUMC. VUMC's debt service requirements under these loan agreements coincide with required debt service of the actual HEFB bonds.

- The Series 2016A tax-exempt fixed-rate revenue bonds were issued in the par amount of \$476.9 million and include an original issue premium of \$59.6 million. The Series 2016A bonds have a final maturity date of July 1, 2046, and can be optionally redeemed at par on or after July 1, 2026. The 2016A bonds were structured as serial bonds with maturities from fiscal 2030 through 2032, as well as three term bonds maturing fiscal 2036 through 2047 which are subject to mandatory sinking fund redemption in lots. The Series 2016A bonds bear interest at 5% per annum and pay interest semi-annually on July 1<sup>st</sup> and January 1<sup>st</sup>.
- The Series 2016B taxable fixed-rate revenue bonds were issued in the par amount of \$300.0 million bear interest at 4.1% per annum, and have a bullet maturity of July 1, 2026. VUMC is entitled, at its option, to redeem all or a portion of the Series 2016B bonds before April 1, 2026, at a make-whole redemption price, which equals the greater of (i) 100% of the remaining outstanding principal and (ii) the net present value of the remaining scheduled principal and interest payments to the original maturity date, using a discount rate 35 basis points above rates for U.S. Treasury securities with comparable maturities.
- The Series 2016C taxable variable-rate revenue bonds (R-FLOATs) were issued in the par amount of \$50.0 million and bear interest initially at a fixed spread to weekly LIBOR of 1.6%. The R-FLOATs have an optional tender provision whereby the bondholder can tender the bond to the trustee for purchase in whole or part. The funds for optional redemption are derived solely from remarketing proceeds or funds provided by VUMC; however, VUMC is not required to provide such funds. If the bonds cannot be remarketed at optional redemption, they are returned to the bondholder and enter a term out period of 24 months. If bonds cannot be successfully remarketed by the end of the 24-month term out period, they are subject to mandatory redemption. In addition to optional redemption of all or a portion of the bonds, the Series 2016C bonds are subject to mandatory sinking fund redemption starting on July 1, 2030 through final maturity of July 1, 2046.
- The Series 2016D taxable variable-rate revenue notes (floating rate notes) were issued in the par amount of \$100.0 million and bear interest initially at a fixed spread to one-month LIBOR of 2.5% through the initial mandatory tender date of July 1, 2021, and a final maturity of July 1, 2046. Beginning six months prior to the mandatory tender date of July 1, 2021, the bonds have an optional redemption feature. If the Series 2016D bonds are successfully remarketed at the mandatory tender date, they are subject to mandatory redemption in lots commencing on July 1, 2021, and each July thereafter until final maturity.
- The Series 2016E taxable term loan revenue notes were issued in the par amount of \$128.1 million and were placed privately with a bank. The notes bear interest in a variable-rate mode at a fixed spread to one-month LIBOR of 2.4% through the initial mandatory tender date of July 1, 2022, and a final maturity of July 1, 2046. In addition to optional redemption of all or a portion of the notes at any time, subject to notice, the Series 2016E notes are subject to principal amortization commencing on July 1, 2022, as defined in the Series 2016E loan agreement between VUMC and the lender.

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- The Series 2016F taxable variable-rate revenue bonds were issued in the par amount of \$75.0 million and were placed privately with a bank. The bonds bear interest in a variable-rate mode at a fixed spread to one-month LIBOR of 2.5% through the initial mandatory tender date of July 1, 2022. If the Series 2016F bonds are successfully remarketed, the bonds can be optionally redeemed in-part or in-whole in the current interest mode at par on or after July 1, 2022, at which time the bonds are also subject to mandatory sinking fund redemption until the final maturity date of July 1, 2041.

Each of the bonds and notes comprising the 2016 Series Debt represent separate obligations under a Master Trust Indenture (MTI) structure. The MTI provides the flexibility for multiple parties to participate in debt issuances as part of an obligated group; presently, VUMC has no other members participating in the obligated group. All debt issued under the MTI are general obligations of the obligated group. Under the provisions of the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing ("the Security Agreement") within the MTI, gross receivables of the obligated group are pledged as collateral. Additionally, the Security Agreement established a mortgage lien on (i) the leasehold interest of the land subject to the Ground Lease; (ii) the buildings, structures, improvements, and fixtures now or hereafter located on the land subject to the Ground Lease; and (iii) certain other collateral.

Trust indentures for certain bond issues contain covenants and restrictions, the most material of which include limitations on the issuance of additional debt, maintenance of a specified debt service coverage ratio, and a minimum amount of days cash on hand. VUMC complied with such covenants and restrictions as of June 30, 2017 and 2016.

On April 29, 2016, VUMC delivered a secured subordinated promissory note in the amount of \$100.0 million to Vanderbilt University to finance the Acquisition ("the VU subordinated note"). The note was issued at a fixed rate of 3.25% with monthly principal payments totaling \$5.0 million annually commencing on May 31, 2016, for a period of twenty years ending on April 30, 2036. VUMC may, at any time and from time to time, without premium or penalty, prepay all or any portion of the unpaid principal amount of the VU subordinated note. This note is secured by the gross receivables and mortgaged property described in the Security Agreement subject to the requirements of the 2016 Series Debt and the MTI.

As part of the Acquisition, VUMC assumed a 10 year, unsecured, noninterest bearing product financing arrangement with a vendor for the purchase and implementation of internal use software. As part of this agreement, VUMC has committed to an annual payment of \$0.5 million payable in monthly installments through November of 2019. These payments will be considered imputed interest. During Fiscal 2020, the annual payment increases to \$4.9 million payable in monthly installments. These payments are considered principal and imputed interest and continue through Fiscal 2026. The balance due under the Product Financing Arrangement is \$22.3 million and \$15.0 million as of June 30, 2017 and 2016, respectively, and is included in the long-term debt caption of the consolidated balance sheets.

Interest paid on all obligations, net of amounts capitalized was \$38.0 million in Fiscal 2017.



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Principal retirements and scheduled sinking fund requirements based on nominal maturity schedules for long-term debt due in subsequent fiscal years ending June 30 are as follows:

|            |                     |
|------------|---------------------|
| 2018       | \$ 5,753            |
| 2019       | 5,391               |
| 2020       | 7,486               |
| 2021       | 8,866               |
| 2022       | 109,030             |
| Thereafter | 1,111,778           |
|            | <u>\$ 1,248,304</u> |

VUMC has entered into an agreement with a bank to provide a general use line of credit with a maximum available commitment totaling \$100.0 million. The line of credit, which may be drawn upon for general operating purposes, expires on April 27, 2018, and can be renewed. Interest on each advance under this line of credit accrues at a rate of 0.75% plus LIBOR, and a commitment fee of 0.20% per annum accrues on any unused portion of the line of credit. Commitment fees for the line of credit totaled \$0.2 million in Fiscal 2017. No amounts were drawn under this credit facility as of June 30, 2017, or June 30, 2016.

**13. Interest Rate Exchange Agreements**

On April 29, 2016, the University transferred an interest rate exchange agreement to VUMC with a total notional amount of \$150.0 million with a maturity date of May 1, 2040. VUMC split the transferred notional amount into two agreements, with key features summarized below:

| Notional Amount | Pay Fixed Rate | Receive Variable Rate  | Maturity       |
|-----------------|----------------|------------------------|----------------|
| \$75.0 million  | 4.12 %         | 68% of one-month LIBOR | April 29, 2021 |
| \$75.0 million  | 4.18 %         | 68% of one-month LIBOR | April 29, 2023 |

VUMC incorporated these interest rate exchange agreements into its debt portfolio management strategy. Collateral pledging requirements were removed from the novated agreements, and the agreements were modified to terminate automatically on April 29, 2021 and 2023, at which point the exchange agreements will be settled at fair value.

VUMC recorded the following activity related to the interest rate exchange agreements during Fiscal 2017:

*(\$ in thousands)*

|   |                  |
|---|------------------|
| Mark-to-market adjustments  | \$ 24,333        |
| Cash settlements  | <u>(5,488)</u>   |
| Unrealized gain on interest rate exchange agreements, net of cash settlements | <u>\$ 18,845</u> |

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**14. Operating Leases**

VUMC has entered into certain long-term agreements with respect to facilities and equipment, both as a lessee and a lessor, which VUMC classifies as operating leases. Rental expense and rental income in Fiscal 2017 are as follows:

| (\$ in thousands)   |            | Location in Consolidated Statement of Operations |
|---|------------|--|
| Operating lease rental expense                                | \$ 108,008 | Operating Expenses—<br>Facilities and equipment  |
| Operating lease rental income, including related party income | 7,764      | Operating Revenues—<br>Other operating revenue   |

The following is a schedule by fiscal year of future minimum rentals on noncancelable operating leases as of June 30, 2017:

| (\$ in thousands)     | Equipment | Property   | Ground Lease | Total        |
|-----------------------|-----------|------------|--------------|--------------|
| 2018                  | \$ 18,794 | \$ 46,053  | \$ 18,602    | \$ 83,449    |
| 2019                  | 14,684    | 44,159     | 18,602       | 77,445       |
| 2020                  | 10,406    | 43,016     | 18,602       | 72,024       |
| 2021                  | 6,392     | 35,899     | 18,602       | 60,893       |
| 2022                  | 5,234     | 28,167     | 18,602       | 52,003       |
| Thereafter            | 4,652     | 170,149    | 1,730,023    | 1,904,824    |
| Total minimum rentals | \$ 60,162 | \$ 367,443 | \$ 1,823,033 | \$ 2,250,638 |

Essential provisions of leases considered by management to be material are as follows:

- On April 29, 2016, VUMC entered into a Ground Lease with VU for approximately 1.7 million square feet of space for an initial term ending June 30, 2114, and an option to extend for up to two additional terms of fifty to ninety-nine years each upon agreement by VU and VUMC. The initial annual base rent of \$18.0 million is payable monthly and CPI adjusted annually. The Ground Lease allows VUMC to use the land on which its campus and related buildings are located. The \$1.8 billion in ground lease payments in the table above represents future minimum rentals based on current payments.
- In July 2007, VU entered an agreement to lease approximately 50% of the space in the 850,000 square foot One Hundred Oaks shopping center located approximately five miles from the main campus ("100 Oaks Lease"). VU redeveloped this leased space primarily for medical and office uses. This operating lease commenced during Fiscal 2009 with an initial lease term of twelve years. In October 2014, VU agreed to an amendment which extends the original lease term by an additional fifteen years, with an option to renew the lease further for four additional ten-year periods. As part of the lease agreement, the lessee also has first rights on leasing additional space in the shopping center and first rights on purchasing if the landlord desires to sell. On April 29, 2016, the 100 Oaks Lease was assigned to VUMC. As a condition of the assignment, amendments to the 100 Oaks Lease were added which required VUMC to provide the landlord a \$25.0 million irrevocable standby letter of credit, pay a \$13.2 million refinancing penalty payable to the landlord, and pay \$7.8 million of the landlord's

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closing costs, financing fees, and prepayment penalties associated with a refinancing of the landlord's debt. The prepayment penalty and closing costs were recorded as part of the Acquisition. The irrevocable standby letter of credit must remain in place through April 29, 2026. The amounts related to this standby letter of credit are recorded as facilities and equipment expense and totaled \$0.3 million in Fiscal 2017. VUMC included minimum property rental payments totaling \$138.8 million related to this space in the above future minimum property rentals.

- On April 29, 2016, VU assigned to VUMC a lease for approximately 231,000 square feet of office space at 2525 West End Avenue with expiration dates primarily in 2026 through 2030, with options to renew for two additional five-year periods. VUMC included minimum property rental payments totaling \$90.9 million related to this space in the above future minimum property rentals.
- On April 29, 2016, VUMC and VU entered into certain lease agreements for the use of space in buildings owned by both entities. As of June 30, 2017, VUMC's estimated future minimum property lease payments to VU totaled \$34.3 million, and estimated future lease receipts from VU totaled \$61.4 million. For the fiscal years ended June 30, 2018 through 2022, the minimum rental receipts from VU are \$6.8 million.

**15. Net Assets**

Net assets restrictions relate to the following purposes as of June 30, 2017 and 2016:

(\$ in thousands)

|   | 2017             | 2016             |
|---|------------------|------------------|
| Temporarily restricted                  |                  |                  |
| Property, plant, and equipment          | \$ 31,248        | \$ 15,737        |
| Research and education                  | 35,807           | 11,087           |
| Operations                              | 2,003            | 161              |
| Total temporarily restricted net assets | <u>\$ 69,058</u> | <u>\$ 26,985</u> |
| Permanently restricted                  |                  |                  |
| Research and education                  | <u>\$ 17,865</u> | <u>\$ 6,769</u>  |

**Unrestricted net assets** are free of donor-imposed restrictions. This classification includes all revenues, gains, and losses not temporarily or permanently restricted by donors. VUMC reports all expenditures in the unrestricted class of net assets since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

**Temporarily restricted net assets** contain donor-imposed stipulations that expire with the passage of time, or that can be satisfied by the action of VUMC. These net assets may include unconditional pledges, split-interest agreements, interests in trusts held by others, and accumulated appreciation on donor-restricted endowments not yet appropriated by the Board of Directors for distribution.

**Permanently restricted net assets** are amounts held in perpetuity as requested by donors. These net assets may include unconditional pledges, donor-restricted endowments (at historical value), split-interest agreements, and interests in trusts held by others. Generally, the donors of these assets permit VUMC to use a portion of the income earned on related investments for specific purposes.

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UPMIFA specifies that unless stated otherwise in a gift instrument, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure. Barring the existence of specific instructions in gift agreements for donor-restricted endowments, VUMC reports the historical value of such endowments as permanently restricted net assets and the net accumulated appreciation as temporarily restricted net assets. In this context, the historical value represents the original value of initial contributions restricted as permanent endowments plus the original value of subsequent contributions and, if applicable, the value of accumulations made in accordance with the direction of specific donor gift agreements.

In Fiscal 2017 VUMC recorded adjustments whose net impact on net asset balances as of June 30, 2016, was to decrease unrestricted net assets by \$22.2 million, increase temporarily restricted net assets by \$19.7 million, and increase permanently restricted net assets by \$2.5 million. The reclassification resulted from donor-restricted pledges and capital gifts totaling \$15.6 million and \$6.6 million, respectively, which were included in unrestricted net assets as of June 30, 2016.

**16. Fair Value Measurements**

Fair value measurements represent the amount at which the instrument could be exchanged in an orderly transaction between market participants at the measurement date. VUMC utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical asset or liabilities in active markets that VUMC has the ability to access.
- Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liabilities; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect VUMC's assumptions about the inputs market participants would use in pricing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available in the circumstances and may include VUMC's own data.

VUMC's principal assets and liabilities subject to fair value measurement are cash and cash equivalents, investments, patient accounts receivable, estimated receivables and payables under third-party programs, grants and contracts receivable, pledges receivable, accounts payable and other accrued expenses, self-insurance reserves, long-term debt, and interest rate exchange agreements. Except for long-term debt, the carrying amount of these assets and liabilities approximate fair value.

As of June 30, 2017, the carrying value and estimated fair value of total long-term debt totaled \$1.294 billion and \$1.319 billion, respectively. As of June 30, 2016, the carrying value and estimated fair value of total long-term debt totaled \$1.291 billion and \$1.378 billion, respectively. VUMC bases estimated fair value of long-term debt on market conditions prevailing at fiscal year-end reporting dates. Besides potentially volatile market conditions, fair value estimates typically reflect limited secondary market trading. The fair values of the fixed rate 2016 Series Debt, as

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defined in Note 12—Long-Term Debt, were based on a Level 2 computation using quoted prices for similar liabilities in inactive markets as of June 30, 2017 and 2016, as applicable. The carrying amounts related to VUMC's variable rate 2016 Series Debt and other long-term debt obligations approximate their fair values as of June 30, 2017 and 2016. As of June 30, 2017, the fair values of the promissory note payable to VU and the product financing arrangement were based on a level 2 discounted cash flow approach applying a risk-adjusted spread for issuers of similar credit quality to U.S. Treasury yields for securities with comparable maturities. As of June 30, 2016, fair values of the promissory note payable to VU and the product financing arrangement approximate their carrying value.

For financial instruments measured at fair value on a recurring basis, the following tables summarize valuation hierarchy levels as of June 30, 2017 and 2016, determined by the nature of the financial instrument, and the least observable input significant to the fair value measurement:

| Fair Value Measurements as of June 30, 2017   |            |            |         |                       |
|---|------------|------------|---------|-----------------------|
| (\$ in thousands)                             | Level 1    | Level 2    | Level 3 | Total Carrying Amount |
| <b>Assets</b>                                 |            |            |         |                       |
| Corporate bonds                               | \$ 60,214  | \$ 58,831  | \$ -    | \$ 119,045            |
| Equity mutual funds                           | 38,637     | 74,067     | -       | 112,704               |
| Restricted cash                               | 32,569     | -          | -       | 32,569                |
| Beneficial interests in split-interest trusts | 7,347      | -          | -       | 7,347                 |
| Hedged equity funds                           | 4,267      | 10,492     | -       | 14,759                |
| Fixed income mutual funds                     | 2,080      | 36,131     | -       | 38,211                |
| Certificates of deposit                       | -          | 38,657     | -       | 38,657                |
| Asset-backed securities                       | -          | 21,779     | -       | 21,779                |
| Real estate mutual funds                      | -          | 16,206     | -       | 16,206                |
| Commercial paper                              | -          | 11,609     | -       | 11,609                |
| Government bonds                              | -          | 9,097      | -       | 9,097                 |
| Hedged debt funds                             | -          | 5,178      | -       | 5,178                 |
| Commodities and managed futures mutual funds  | -          | 3,820      | -       | 3,820                 |
| Total assets reported at fair value           | \$ 145,114 | \$ 285,867 | \$ -    | \$ 430,981            |
| <b>Liabilities</b>                            |            |            |         |                       |
| Interest rate exchange agreements             | \$ -       | \$ 65,203  | \$ -    | \$ 65,203             |
| Total liabilities reported at fair value      | \$ -       | \$ 65,203  | \$ -    | \$ 65,203             |

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

|   | Fair Value Measurements as of June 30, 2016 |            |         | Total           |
|---|---|------------|---------|-----------------|
| (\$ in thousands)                             | Level 1                                     | Level 2    | Level 3 | Carrying Amount |
| <b>Assets</b>                                 |   |            |         |                 |
| Equity mutual funds                           | \$ 12,038                                   | \$ 76,527  | -       | \$ 88,565       |
| Restricted cash                               | 22,956                                      | -          | -       | 22,956          |
| Beneficial interests in split-interest trusts | 6,384                                       | -          | -       | 6,384           |
| Hedged equity funds                           | 4,567                                       | 10,173     | -       | 14,740          |
| Fixed income mutual funds                     | 4,926                                       | 30,451     | -       | 35,377          |
| Real estate mutual funds                      | -   | 13,398     | -       | 13,398          |
| Government bonds                              | 9,019                                       | -          | -       | 9,019           |
| Hedged debt funds                             | -   | 3,200      | -       | 3,200           |
| Commodities and managed futures mutual funds  | -   | 3,305      | -       | 3,305           |
| Total assets reported at fair value           | \$ 59,890                                   | \$ 137,054 | \$ -    | \$ 196,944      |
| <b>Liabilities</b>                            |   |            |         |                 |
| Interest rate exchange agreements             | \$ -  | \$ 89,536  | \$ -    | \$ 89,536       |
| Total liabilities reported at fair value      | \$ -  | \$ 89,536  | \$ -    | \$ 89,536       |

VUMC employs derivatives, primarily interest rate exchange agreements, to help manage interest rate risks associated with variable-rate debt. In addition to the credit risk of the counterparty owing a balance, VUMC calculates the fair value of interest rate exchange agreements based on the present value sum of future net cash settlements that reflect market yields as of the measurement date.

Parties to interest rate exchange agreements are subject to risk for changes in interest rates as well as the risk of credit loss in the event of nonperformance by the counterparty. VUMC deals only with high-quality counterparties that meet rating criteria for financial stability and credit worthiness.

## 17. Retirement Plans

VUMC's full-time employees participate in a 403(b) defined contribution retirement plan administered by a third-party. For eligible employees with one year of continuous service, these plans require employer matching of employee contributions up to 5% of eligible compensation. The employee immediately vests in these contributions.

VUMC funds the obligations under these plans through monthly transfers to the respective retirement plan administrators with the corresponding expenses recognized in the year incurred. During Fiscal 2017, VUMC recognized \$56.7 million of expense in connection with these plans.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**18. Functional Expenses**

Total operating expenses by function for Fiscal 2017 were as follows:

*(\$ in thousands)*

|                                 |                     |
|---------------------------------|---------------------|
| Healthcare services             | \$ 2,974,923        |
| Academic research and education | 597,625             |
| Administrative and other        | 152,558             |
| Total operating expenses        | <u>\$ 3,725,106</u> |

**19. Commitments and Contingencies**

Management has policies, procedures, and a compliance overview organizational structure to enforce and monitor compliance with government statutes and regulations. VUMC's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time.

- **Litigation.** VUMC is a defendant in certain lawsuits alleging medical malpractice and civil action.

One such legal action was a qui tam civil action related to billing and government reimbursement for certain professional health care services provided by VUMC, which was filed in 2011. The parties agreed to settlement terms prior to June 30, 2017; VUMC has accrued an amount equal to the agreed upon settlement, which is not material to VUMC's overall financial position.

In February 2015, VUMC received a letter from the Office of Audit Services (OAS) of the Office of Inspector General (OIG) in connection with its nationwide review to determine whether, in certain cases, services were provided to certain Medicare beneficiaries in accordance with national coverage criteria. OAS has issued their final report regarding their audit which contains an overpayment amount. VUMC resolved the matter by repaying certain funds previously received prior to June 30, 2017; the repayment amount was not material to VUMC's overall financial position.

On August 16, 2016, VUMC received written notice from VU of a third-party claim which may, if determined adversely to VU, require indemnification by VUMC pursuant to the provisions of the MTSA, dated as of April 29, 2016. That third-party claim is a lawsuit (Cassell v. Vanderbilt University, et al., No. 3:16-cv-02086 (U.S.D.C. M.D. TN)) brought by current and former employees of VU which alleges claims relating to administration of the Vanderbilt University Retirement Plan and New Faculty Plan. Due to the early stage of the litigation, it is not possible to assess the likely outcome of the litigation or to estimate the amount of the indemnification obligation which VUMC might have, were the matter decided adversely to VU.

Through the operation of its compliance program, VUMC from time to time initiates the review of billing for clinical services provided by VUMC and its affiliated providers. VUMC has established a liability reserve relating to certain matters under review as of June 30, 2017, which is not material to VUMC's overall financial position.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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- **Regulations.** VUMC's compliance with regulations and laws is subject to future government reviews and interpretations, as well as regulatory actions unknown at this time. VUMC believes that the liability, if any, from such reviews will not have a significant effect on VUMC's consolidated financial position.
- **Medical Malpractice Liability Insurance.** The consolidated balance sheet includes reserves for medical malpractice, professional, and general liability coverage totaling \$71.5 million as of June 30, 2017, and \$88.0 million as of June 30, 2016. These liabilities are measured at the net present value of those cash flows using a discount rate of 2.5% at both dates and are classified as current or noncurrent based on the expected timing of cash flows. The \$16.5 million reduction in total medical malpractice self-insurance reserves from June 30, 2016 to June 30, 2017 primarily reflects a \$12.2 million change in estimate recorded during Fiscal 2017 to reflect improved claims experience observed during Fiscal 2017. Other current assets include expected recoveries from commercial insurance carriers under excess coverage arrangements totaling \$4.0 million as of June 30, 2017, and \$6.8 million as of June 30, 2016.
- **Employee Health and Workers' Compensation Insurance.** Accrued compensation and benefits included actuarially determined liabilities for employee health and workers' compensation claims totaling \$16.0 million and \$7.3 million, respectively, as of June 30, 2017, and \$19.1 million and \$7.9 million, respectively, as of June 30, 2016. During Fiscal 2017, VUMC recorded expenses totaling \$154.8 million for self-insured employee health benefit plans, net of employee premiums, and \$3.0 million for self-insured workers' compensation insurance plans.
- **Federal and State Contracts and Other Requirements.** Expenditures related to federal and state grants and contracts are subject to adjustment based upon review by the granting agencies. Amounts of expenditures that granting agencies might disallow cannot be determined at this time. These amounts affect government grants and contracts revenue as well as facilities and administrative costs recovery. VUMC would not expect these costs to influence the consolidated financial position by material amounts.
- **Health Care Services.** In Fiscal 2017, 85% of VUMC's operating revenue was generated by providing health care services, where revenue is affected by reimbursement arrangements with federal and state healthcare programs, commercial insurance, and other managed care payors. If reimbursement rates from third-party payors decrease or if contract terms become less favorable in future periods, VUMC's net operating revenues may decline. See Note 5—Patient Service Revenue, Patient Accounts Receivable, and Estimated Third-party Settlements, for further information regarding healthcare revenues and related receivables.
- **HIPAA Compliance.** Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the federal government has authority to complete fraud and abuse investigations. HIPAA has established substantial fines and penalties for offenders. VUMC maintains policies, procedures, and organizational structures to enforce and monitor compliance with HIPAA, as well as other applicable local, state, and federal statutes and regulations.
- **Construction.** VUMC had contractual commitments under major construction and equipment contracts totaling \$109.2 million as of June 30, 2017.
- **Letter of Credit.** As a requirement of the assignment of the 100 Oaks Lease described in Note 14—Operating Leases, VUMC provided an irrevocable standby letter of credit of \$25.0 million to the landlord of the property dated June 10, 2016.



**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**20. Subsequent Events**

Management evaluated events after June 30, 2017, through October 19, 2017, the date on which the financial statements were available for issuance. During this period, there were no subsequent events requiring recognition in the consolidated financial statements that have not been recorded.

On July 26, 2017, VUMC issued the Series 2017A tax-exempt and Series 2017 taxable fixed-rate bonds in the aggregate amount of \$221.3 million to provide new project funding to finance the construction, expansion, and renovation of various facilities and related equipment. The Series 2017A bonds were issued by the HEFB, as VUMC's conduit, at a par amount of \$121.3 million, include an original issue premium of \$5.1 million, and have an average coupon of 4.38%. Of the \$121.3 million par amount, \$75.0 million mature in 2047, with the remainder maturing in 2048. The Series 2017 taxable bonds were issued by VUMC at a par amount of \$100.0 million, bear interest at 4.172% per annum, and mature in 2037.

On August 1, 2017, VUMC issued the Series 2017B taxable notes through the HEFB at a par amount of \$50.0 million for fully redeeming the Series 2016C taxable variable-rate revenue bonds (R-FLOATs). The Series 2017B notes were placed privately with a bank and were issued in a variable-rate mode to bear interest at a fixed spread to one-month LIBOR of 1.15%.

On August 1, 2017, VUMC restructured certain terms of its Series 2016E and F variable rates bonds which are placed privately with two banks. The credit spread on the Series 2016E bonds was reduced to 1.75% from 2.4%, while the credit spread for the Series 2016F bonds was reduced to 1.15% from 2.5%. Additionally, the mandatory tender date of the Series 2016F bonds was extended two years to July 1, 2024.

Subsequent to June 30, 2017, the previously disclosed qui tam civil action was settled for an amount not material to VUMC's overall financial position.



## Report of Independent Auditors on Supplemental Schedules

To the Board of Directors of  
Vanderbilt University Medical Center

We have audited the consolidated financial statements of Vanderbilt University Medical Center as of June 30, 2017 and for the year then ended and our report thereon appears on page one of this document. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position or results of operations of the individual companies.

*PricewaterhouseCoopers LLP*

October 19, 2017

**Vanderbilt University Medical Center**  
**Consolidating Balance Sheet**  
**June 30, 2017**

| (\$ in thousands)   | Obligated<br>Group | Nonobligated<br>Entity | Consolidated |
|---|--------------------|------------------------|--------------|
| <b>Assets</b>   |                    |                        |              |
| <b>Current</b>  |                    |                        |              |
| Cash and cash equivalents   | \$ 520,631         | \$ 226                 | \$ 520,857   |
| Current investments   | 133,977            | -                      | 133,977      |
| Patient accounts receivable, net                                  | 373,774            | 4,930                  | 378,704      |
| Estimated receivables under third-party programs                  | 12,642             | -                      | 12,642       |
| Grants and contracts receivable, net                              | 67,249             | -                      | 67,249       |
| Inventories   | 66,955             | 523                    | 67,478       |
| Other current assets  | 61,908             | 7,150                  | 69,058       |
| Total current assets  | 1,237,136          | 12,829                 | 1,249,965    |
| Noncurrent investments  | 94,412             | -                      | 94,412       |
| Noncurrent investments limited as to use                          | 202,592            | -                      | 202,592      |
| Property, plant, and equipment, net                               | 1,216,614          | 3,154                  | 1,219,768    |
| Other noncurrent assets   | 24,624             | 9,969                  | 34,593       |
| Total assets  | \$ 2,775,378       | \$ 25,952              | \$ 2,801,330 |
| <b>Liabilities and Net Assets</b>                                 |                    |                        |              |
| <b>Current</b>  |                    |                        |              |
| Current installments of long-term debt                            | \$ 5,753           | \$ -                   | \$ 5,753     |
| Accounts payable and other accrued expenses                       | 261,712            | 10,929                 | 272,641      |
| Estimated payables under third-party programs                     | 37,072             | -                      | 37,072       |
| Accrued compensation and benefits                                 | 192,363            | 2,376                  | 194,739      |
| Current portion of deferred revenue                               | 37,972             | 1,381                  | 39,353       |
| Current portion of medical malpractice self-insurance reserves    | 17,161             | -                      | 17,161       |
| Total current liabilities   | 552,033            | 14,686                 | 566,719      |
| Long-term debt, net of current installments                       | 1,288,346          | -                      | 1,288,346    |
| Fair value of interest rate exchange agreements                   | 65,203             | -                      | 65,203       |
| Noncurrent portion of medical malpractice self-insurance reserves | 54,373             | -                      | 54,373       |
| Noncurrent portion of deferred revenue                            | 10,290             | 404                    | 10,694       |
| Other noncurrent liabilities                                      | 15,093             | -                      | 15,093       |
| Total liabilities   | 1,985,338          | 15,090                 | 2,000,428    |
| <b>Net assets</b>   |                    |                        |              |
| Unrestricted net assets controlled by VUMC                        | 703,117            | 4,971                  | 708,088      |
| Unrestricted net assets related to noncontrolling interests       | -                  | 5,891                  | 5,891        |
| Total unrestricted net assets                                     | 703,117            | 10,862                 | 713,979      |
| Temporarily restricted net assets                                 | 69,058             | -                      | 69,058       |
| Permanently restricted net assets                                 | 17,865             | -                      | 17,865       |
| Total net assets  | 790,040            | 10,862                 | 800,902      |
| Total liabilities and net assets                                  | \$ 2,775,378       | \$ 25,952              | \$ 2,801,330 |

**Vanderbilt University Medical Center**  
**Consolidating Balance Sheet**  
**June 30, 2016**

| (\$ in thousands)   | Obligated<br>Group | Nonobligated<br>Entity | Consolidated |
|---|--------------------|------------------------|--------------|
| <b>Assets</b>   |                    |                        |              |
| <b>Current</b>  |                    |                        |              |
| Cash and cash equivalents   | \$ 592,977         | \$ 3,529               | \$ 596,506   |
| Patient accounts receivable, net                                  | 339,386            | 3,855                  | 343,241      |
| Estimated receivables under third-party programs                  | 9,123              | -                      | 9,123        |
| Grants and contracts receivable, net                              | 60,943             | -                      | 60,943       |
| Inventories   | 61,330             | 595                    | 61,925       |
| Other current assets  | 80,721             | 6,299                  | 87,020       |
| Total current assets  | 1,144,480          | 14,278                 | 1,158,758    |
| Noncurrent investments limited as to use                          | 196,944            | -                      | 196,944      |
| Property, plant, and equipment, net                               | 1,126,490          | 3,626                  | 1,130,116    |
| Other noncurrent assets   | 23,567             | 9,599                  | 33,166       |
| Total assets  | \$ 2,491,481       | \$ 27,503              | \$ 2,518,984 |
| <b>Liabilities and Net Assets</b>                                 |                    |                        |              |
| <b>Current</b>  |                    |                        |              |
| Current installments of long-term debt                            | \$ 5,000           | \$ -                   | \$ 5,000     |
| Accounts payable and other accrued expenses                       | 201,189            | 4,845                  | 206,034      |
| Bank overdrafts   | 13,846             | -                      | 13,846       |
| Estimated payables under third-party programs                     | 30,990             | -                      | 30,990       |
| Accrued compensation and benefits                                 | 197,769            | 2,341                  | 200,110      |
| Current portion of deferred revenue                               | 37,317             | 1,028                  | 38,345       |
| Current portion of medical malpractice self-insurance reserves    | 20,657             | -                      | 20,657       |
| Total current liabilities   | 506,768            | 8,214                  | 514,982      |
| Long-term debt, net of current installments                       | 1,286,063          | -                      | 1,286,063    |
| Fair value of interest rate exchange agreements                   | 89,536             | -                      | 89,536       |
| Noncurrent portion of medical malpractice self-insurance reserves | 67,319             | -                      | 67,319       |
| Noncurrent portion of deferred revenue                            | 6,110              | 158                    | 6,268        |
| Other noncurrent liabilities                                      | 11,641             | -                      | 11,641       |
| Total liabilities   | 1,967,437          | 8,372                  | 1,975,809    |
| <b>Net assets</b>   |                    |                        |              |
| Unrestricted net assets controlled by VUMC                        | 490,290            | 13,604                 | 503,894      |
| Unrestricted net assets related to noncontrolling interests       | -                  | 5,527                  | 5,527        |
| Total unrestricted net assets                                     | 490,290            | 19,131                 | 509,421      |
| Temporarily restricted net assets                                 | 26,985             | -                      | 26,985       |
| Permanently restricted net assets                                 | 6,769              | -                      | 6,769        |
| Total net assets  | 524,044            | 19,131                 | 543,175      |
| Total liabilities and net assets                                  | \$ 2,491,481       | \$ 27,503              | \$ 2,518,984 |





**Vanderbilt University Medical Center**  
**Consolidating Statement of Operations**  
**Year Ended June 30, 2017**

| <i>(\$ in thousands)</i>   | <b>Obligated<br/>Group</b> | <b>Nonobligated<br/>Entity</b> | <b>Consolidated</b> |
|--|----------------------------|--------------------------------|---------------------|
| <b>Operating revenues</b>  |                            |                                |                     |
| Patient service revenue, net of contractual<br>adjustments and discounts         | \$ 3,368,846               | \$ 75,592                      | \$ 3,444,438        |
| Provision for bad debts  | (105,643)                  | (3,476)                        | (109,119)           |
| Patient service revenue, net   | 3,263,203                  | 72,116                         | 3,335,319           |
| Academic and research revenue  | 416,334                    | 4                              | 416,338             |
| Other operating revenue  | 143,458                    | 8,453                          | 151,911             |
| Total operating revenues   | 3,822,995                  | 80,573                         | 3,903,568           |
| <b>Operating expenses</b>  |                            |                                |                     |
| Salaries, wages, and benefits  | 2,003,748                  | 31,515                         | 2,035,263           |
| Supplies and drugs   | 691,697                    | 7,503                          | 699,200             |
| Facilities and equipment   | 235,247                    | 10,484                         | 245,731             |
| Services and other   | 574,880                    | 30,107                         | 604,987             |
| Depreciation and amortization  | 91,005                     | 438                            | 91,443              |
| Interest   | 48,482                     | -                              | 48,482              |
| Total operating expenses   | 3,645,059                  | 80,047                         | 3,725,106           |
| Income from operations   | 177,936                    | 526                            | 178,462             |
| <b>Nonoperating revenues and expenses</b>  |                            |                                |                     |
| Income from investments  | 21,250                     | -                              | 21,250              |
| Gift income  | 9,769                      | 1                              | 9,770               |
| Earnings of unconsolidated organizations   | 72                         | 3,838                          | 3,910               |
| Unrealized gain on interest rate exchange<br>agreements, net of cash settlements | 18,845                     | -                              | 18,845              |
| Other nonoperating gains, net  | (861)                      | -                              | (861)               |
| Total nonoperating revenue and expense   | 49,075                     | 3,839                          | 52,914              |
| Excess of revenues over expense  | 227,011                    | 4,365                          | 231,376             |
| Excess of revenues over expense attributable<br>to noncontrolling interests      | -                          | (4,883)                        | (4,883)             |
| Excess (deficiency) of revenues over<br>(under) expenses attributable to VUMC    | \$ 227,011                 | \$ (518)                       | \$ 226,493          |

**Vanderbilt University Medical Center**  
**Notes to Supplemental Financial Schedules**  
**June 30, 2017 and 2016**

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**Basis of Presentation**

As discussed in Note 12—Long-Term Debt, each of the bonds and notes comprising the 2016 Series Debt represent separate obligations under an MTI structure. All debt issued under the MTI are general obligations of the obligated group, which, for purposes of the preceding consolidating financial statements comprises VUMC and its affiliates, as described in Note 1—Description of Organization, except for VHS, which is a nonobligated entity.

The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and the results of operations of the individual companies.



Attachment B. Contribution to the  
Orderly Development of  
Healthcare.1

Vanderbilt University  
Medical Center Contracts

## Vanderbilt University Medical Center Contracts

Byrne, Michael/DC #87/COLLECTION CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Chandrasekhar, Rameela/The University of North Carolina at Chapel Hill  
 Copeland, Mary/First Call Ambulance  
 Crowe, James/University of Jos Teaching Hospital/Nigeria/Lassa  
 Freiberg, Matthew/Middle Tennessee Research Institute/(MTRI)  
 Freiberg, Matthew/Trustees of Boston University  
 Hayes, Marcus/Wilson County Schools//  
 Powers, Alvin/VA/Research Services for Tennessee Valley Healthcare System  
 Raffanti, Stephen/FAMILY HEALTH CENTERS, INC./Health Resources and Services Administration  
 Raffanti, Stephen/HealthPoint Family Care, Inc./Health Resources and Services Administration/  
 Raffanti, Stephen/Memphis Health Center, Inc./Health Resources and Services Administration/  
 ResearchMatch: Suny Upstate Medical University  
 ResearchMatch: MIRA Trustees of Boston University  
 Rothman, Russell L./Patient-Centered Outcomes Research Institute/(PCORI)/CDRN-1306-04869  
 SAFETY NET CONSORTIUM OF MIDDLE TENNESSEE, LLC  
 Spires, Steven/HEALTHSOUTH Corporation/Patient Consultation  
 Wheaton, Robert/Sandia National Laboratories (SNL)  
 [CORE LAB SERVICES] Koues, Olivia/Trustees of Columbia University In The City of New York/Illumina MEGA EX genotyping  
 [LAB CORE SERVICES] Boyd, Kelli/University of Virginia/TPSR Lab  
 [Lab Core Services] Millne, Ginger/UNIVERSITY OF NORTH TEXAS/Eicosanoid Core  
 [PREFIX IF ANY] Raffanti, Stephen/I.M. Sulzbacher Center for the Homeless, Inc./Health Resources and Services Administration  
 Abou-Khalil, Bassel/Neurotech, LLC  
 Abou-Khalil, Bassel/RSC Diagnostic Services  
 Adam, Rony/ American Urogynecologic Society/(QJ-ORN)  
 Adam, Rony/American Urogynecologic Society  
 ADVANCED EYECARE LLC  
 Affiliation Agreement The University of Mississippi Medical Center  
 Affiliation Agreement/Baptist Healthcare System, Inc/KY/VHAN  
 Affiliation Agreement: Coffey, Charles/Provision Proton Center  
 Affiliation Agreement: Sumner Regional Medical Center  
 AIC KIJABE HOSPITAL/KIJABE, KENYA  
 Alliance Agreement: Meharry Medical College  
 AMBULATORY SURGERY CENTER OF COOL SPRINGS, LLC: PATIENT TRANSFER  
 AMERICAN COLLEGE OF CARDIOLOGY FOUNDATION REGISTRY (ACC-NCDR)  
 American College of Surgeons (ACS) National Surgical Quality Improvement Program (Adult Hospital)  
 American College of Surgeons (ACS) National Surgical Quality Improvement Program (Children's)  
 AMERICAN COLLEGE OF SURGEONS: SOFTWARE: TRACS  
 AMERICAN DENTAL ASSOCIATION ACCREDITATION VISIT - BUSINESS ASSOCIATE  
 AMERICAN REGISTRY OF RADIOLOGIC TECHNOLOGISTS  
 Ancillary Service Agreement: Metro Nashville General Hospital  
 Aronoff, David / WILLIAMSON COUNTY HOSPITAL DISTRICT  
 ASHBY, NATHAN / COOK INCORPORATED  
 Association of American Medical Colleges - Consulting Agreement  
 Austin Peay Social Work School - Affiliation Agreement  
 Austin, Jill /Nashville Sounds Baseball Club/VSM  
 B & L BALLOONING: COOPERATIVE AGREEMENT (SPORTS MEDICINE)  
 BAA: Dodd, Debra/University Of Alabama At Birmingham  
 BAA: Harris, Paul/Eastern Maine Medical Center  
 BAA: Levis, William/ABRET  
 BAA: LIFEFLIGHT; COMMISSION ON ACCREDITATION OF MEDICAL TRANSPORT SYSTEMS (CAMTS)  
 BAA: Luckett, Joseph/The Valley Hospital  
 BAA: Matheny, Michael/Dartmouth College  
 BAA: Matheny, Michael/University of Utah  
 BAA: Watkins, Scott /Society for Pediatric Anesthesia  
 BAA: Wellons, John/University of Utah  
 BAA:Keebler, Mary/ Intermacs Data Coordinating Center  
 Bailey, Autumnne/Child Health Patient Safety Organization  
 Bailey, Autumnne/Children's Hospital Association  
 Bailey, Autumnne/Ohio Children's Hospital Patient Safety  
 BALDWIN, SCOTT/AMERICAN COLLEGE OF CARDIOLOGY/ (PEDS)  
 Banerjee, Arna/Medical Education and Research Institute (MERI)  
 BAPTIST HEALTHCARE MADISONVILLE, INC.-PATIENT TRANSFER  
 BAPTIST HOSPITAL, NASHVILLE: PATIENT TRANSFER  
 BAPTIST HOSPITAL/SAINT THOMAS MIDTOWN HOSPITAL: PEDS PATIENT TRANSFER  
 BAPTIST HOSPITAL: BREAST CANCER STUDY  
 BAPTIST HOSPITAL: CRITICAL PATIENT TRANSFER  
 Baptist Memorial Health Care Corporation (Memphis): Affiliation Agreement  
 BAPTIST MEMORIAL HOSPITAL - HUNTINGDON: PEDS PATIENT TRANSFER  
 BAPTIST MEMORIAL HOSPITAL - UNION CITY: PEDS PATIENT TRANSFER  
 Baptist Memorial Hospital, Memphis/Pediatric Patient Transfer  
 BATON ROUGE GENERAL HOSPITAL PATHOLOGY  
 Bella Baby Photography of Ohio, LLC  
 Bellamy, Dennis/Hendersonville Soccer Club  
 Bellamy, Dennis/Overbrook School  
 BELMONT UNIVERSITY: CLINICAL PHARMACY SERVICES  
 Bennett, Kelly/Baptist Medical Health Group/Kentucky/PSA  
 Berkman, Richard/IV Contrast Admin/Premier Radiology  
 BETHANY HEALTH & REHABILITATION: PATIENT TRANSFER  
 BETHANY HEALTH CARE CENTER: MEDICAL DIRECTOR (HABERMANN)  
 BIBEAU, DEBORAH/eCARDIO DIAGNOSTICS, LLC  
 BIESEMEIER, CHRIS (CHRISTINA)/ WIC SERVICES AGREEMENT

## Vanderbilt University Medical Center Contracts

Billing Agreement - Chadha, Mohit/Non Sponsored (Travel)  
 Billing Agreement (Non-Sponsored) Bastarache, Julie/Vanderbilt University  
 Billing Agreement (Non-Sponsored) Creech, Clarence/Vanderbilt University (Nicole Soper)  
 Billing Agreement (Non-Sponsored) Crowe Jr, James/Vanderbilt University  
 Billing Agreement (Non-Sponsored) Crowe, James Jr./Vanderbilt University  
 Billing Agreement (Non-Sponsored) Dortch, Richard/Vanderbilt University  
 Billing Agreement (Non-Sponsored) Shyr, Yu/Vanderbilt University (TIPS Data Science Visions)  
 Billing Agreement: (Non-Sponsored) Crowe, James/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Carson, Robert/Vanderbilt University (Brittany Parker)  
 Billing Agreement: (Non-Sponsored) Courtney, Jeannine/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Johnson, Rachelle/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Mallin, Bradley/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Morgan, Douglas/Vanderbilt University - TIPS  
 Billing Agreement: (Non-Sponsored) Pulley, Jill/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Pulley, Jill/Vanderbilt University  
 Billing Agreement: Chadha, Mohit/Vanderbilt University  
 Billing Agreement: Chadha, Mohit/Vanderbilt University  
 Billing Agreement: Crowe, James/Vanderbilt University  
 Billing Agreement: Emerson, Ronald/Vanderbilt University  
 Billing Agreement: Hartmann, Katherine; Vanderbilt University; Vanderbilt Faculty Research Scholars Award  
 Billing Agreement: Malow, Beth/Vanderbilt University - TIP Program  
 Billing Agreement: Newcomb, Dawn/Vanderbilt University - Jaqueline Cephus  
 Billing Agreement: Peterson, Todd/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Alvarez, Ronald/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Crowe, James Jr./Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Labadie, Robert/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Labadie, Robert/Vanderbilt University (2 of 2)  
 Billing Agreement: (Non-Sponsored) Mizell, James/Vanderbilt University (Warden)  
 Billing Agreement: (Non-Sponsored) Pietenpol, Jennifer/Vanderbilt University (Jamyne O'Neal)  
 Billing Agreement: (Non-Sponsored) Silver, Heidi/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Starr, Suzanne/Vanderbilt University  
 Billing Agreement: Alvarez, Ronald/Vanderbilt University  
 Billing Agreement: Banks, David; Vanderbilt University School of Medicine, Department of Molecular Physiology and Biophysics (MPB)  
 Billing Agreement: Banks, David; VU Police Department  
 Billing Agreement: Banks, David; VU Real Estate Office  
 Billing Agreement: Bernard, Gordon/Non-Sponsored/Vanderbilt University (Bickman)  
 Billing Agreement: Bliss, Kenton/Vanderbilt University/NSBA  
 Billing Agreement: Griffin, Marie/Vanderbilt University/Harvard Pilgrim Health Care  
 Billing Agreement: Holder, Jourdan/Vanderbilt University  
 Billing Agreement: Jarrett, Ryan/ Vanderbilt University  
 Billing Agreement: Roden, Dan; Steris Autoclave Renewal Contract  
 Billing Agreement: Roden, Dan; Vanderbilt University  
 Billing Agreement: Schlueter, David/ Vanderbilt University (CANS)  
 Billing Agreement: Stafford, Tim/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Jackson, Karen/Vanderbilt University  
 Billing Agreement: Aronoff, David/Vanderbilt University  
 Billy Hudson/Goldfinch Bio  
 BIO-MEDICAL APPLICATIONS of Kentucky INC (FORMERLY BOWLING GREEN KIDNEY CENTER): BACKUP DIALYSIS  
 BIO-MEDICAL APPLICATIONS of Kentucky INC (FORMERLY GLASGOW KIDNEY CENTER): BACKUP DIALYSIS  
 BIO-MEDICAL APPLICATIONS OF TENNESSEE: OUTPATIENT MANAGEMENT AGREEMENT  
 Bio-Medical Applications of Virginia, Inc. (Fresenius Medical Care of Abingdon Dialysis in Abingdon, VA (VA2): Kidney/Dialysis  
 BLAKEFORD AT GREEN HILLS: PATIENT TRANSFER  
 BLOUNT MEMORIAL HOSPITAL: CRITICAL CARE  
 BOLIVAR GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Bosworth, Susan / Thomas Jefferson University, Jefferson School of Nursing  
 Bosworth, Susan/ Rutgers, The State University of New Jersey/Nutrition Services  
 Bosworth, Susan/Drexel University, College of Nursing and Health Professions  
 Bosworth, Susan/Seton Hill University/  
 Brantley, Millam/Sarah Cannon Cancer Center/Tarveda Therapeutics, Inc./PEN-866-001  
 Brisova, Marcela/Louisiana State University/Pennington Biomedical Research  
 BRISTOL REGIONAL MEDICAL CENTER: BURN PATIENT TRANSFER  
 BROWN, KIMBERLY/METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY/PROFESSIONAL PSYCHOLOGICAL SERVICES  
 Buller, Gerald/URAC - Promoting Quality Health Care/Specialty Pharmacy URAC Accreditation Agreement  
 Bundled Payments for Care Improvement Model 2 Agreement: Centers for Medicare and Medicaid Services  
 Byrne, Michael/BLOOD ASSURANCE, INC.115 - 2555/COLLECTION CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/ DC #87/APHERESIS CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/BLOOD ASSURANCE, INC. 115 - 9888 /APHERESIS CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/NMDP NORTHCENTRAL 001 - 9888/APHERESIS CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/NMDP NORTHCENTRAL 001 - 2255 - COLLECTION CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 CALDWELL COUNTY DIALYSIS: TRANSPLANT  
 CALDWELL COUNTY HOSPITAL INC: PATIENT TRANSFER  
 Call Coverage Agreement - Howell Allen Clinic, P.C.  
 CAMDEN GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Campbell, Vanda/American CAM, LLC/PSA  
 Cardiology Services Agreement: Maury Regional Medical Center (Cardiology Services)  
 CENTENNIAL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 CENTRAL KENTUCKY DIALYSIS CENTERS, LLC. /DAVITA: KIDNEY TRANSPLANT AFFILIATION  
 CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY D/B/A ERLANGER HEALTH SYSTEM / OPHTHALMOLOGY SERVICES  
 CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY: PATHOLOGY LABORATORY SERVICES  
 Child Life Internship: Cross, Janet / University of Iowa  
 CHILD LIFE: BEDFORD COUNTY SCHOOLS

## Vanderbilt University Medical Center Contracts

CHILD LIFE: Belmont University (MUSIC THERAPY)  
 CHILD LIFE: BENTON COUNTY SCHOOLS  
 CHILD LIFE: CALDWELL COUNTY BOARD OF EDUCATION  
 CHILD LIFE: CANNON COUNTY SCHOOLS  
 CHILD LIFE: CHEATHAM COUNTY SCHOOLS  
 CHILD LIFE: CHEROKEE COUNTY SCHOOL DISTRICT  
 CHILD LIFE: CHRISTIAN COUNTY SCHOOLS  
 Child Life: Clarksville Montgomery County Schools  
 CHILD LIFE: CLAY COUNTY SCHOOL SYSTEM  
 Child Life: Coffee County Schools  
 CHILD LIFE: CRITTENDEN COUNTY (KENTUCKY)  
 CHILD LIFE: CUMBERLAND COUNTY  
 CHILD LIFE: DICKSON COUNTY SCHOOLS  
 CHILD LIFE: FRANKLIN COUNTY SCHOOLS  
 CHILD LIFE: FRANKLIN SPECIAL SCHOOL DISTRICT  
 CHILD LIFE: GIBSON COUNTY SPECIAL SCHOOLS  
 CHILD LIFE: GILES COUNTY SCHOOLS  
 CHILD LIFE: GRAVES COUNTY SCHOOLS  
 Child Life: Hamilton County Department of Education  
 CHILD LIFE: HARDEMAN COUNTY SCHOOLS  
 CHILD LIFE: HOUSTON COUNTY SCHOOLS  
 CHILD LIFE: HUMPHREYS COUNTY SCHOOLS  
 CHILD LIFE: JACKSON COUNTY SCHOOLS  
 CHILD LIFE: JACKSON-MADISON COUNTY SCHOOLS  
 CHILD LIFE: KINGSPOINT CITY SCHOOLS  
 CHILD LIFE: LAWRENCE COUNTY SCHOOLS  
 CHILD LIFE: LEWIS COUNTY SCHOOLS  
 CHILD LIFE: Manchester City Schools  
 CHILD LIFE: MAURY COUNTY SCHOOLS  
 CHILD LIFE: McCracken County Public Schools  
 CHILD LIFE: MORGAN COUNTY SCHOOLS  
 CHILD LIFE: MURFREESBORO CITY SCHOOLS  
 CHILD LIFE: PUTNAM COUNTY SCHOOLS  
 CHILD LIFE: ROANE COUNTY SCHOOLS  
 CHILD LIFE: Sumner County Board of Education  
 Child Life: Sweetwater City Schools  
 CHILD LIFE: TULLAHOMA CITY SCHOOLS  
 CHILD LIFE: VAN BUREN COUNTY SCHOOLS  
 CHILD LIFE: WARREN COUNTY SCHOOLS  
 CHILD LIFE: WAYNE COUNTY SCHOOLS  
 CHILD LIFE: WHITE COUNTY BOARD OF EDUCATION  
 CHILD LIFE: GRAINGER COUNTY SCHOOLS  
 CHILDREN'S HOSPITAL ALLIANCE OF TENNESSEE (CHAT): LEASED EMPLOYEE SERVICES  
 CHILDREN'S HOSPITAL at ERLANGER: PEDS PATIENT TRANSFER  
 CHRISTMAS VILLAGE: HEARING AND SPEECH SCIENCES  
 Claassen, Daniel / Wave Life Sciences, Ltd.  
 CLAIBORNE COUNTY HOSPITAL/LETTER OF AGREEMENT  
 Clair, Walter/State of Tennessee/Middle Tennessee Mental Health Institute/(53860)  
 CLAY COUNTY SCHOOLS: MAMA LERE HEARING SCHOOL  
 Cobb, Cheryl/Tennessee Voices for Children, Inc  
 COFFEE COUNTY SCHOOLS: MAMA LERE HEARING SCHOOL  
 Coffee Medical Group LLC d/b/a Unity Medical Center: PEDS PATIENT TRANSFER  
 Collier, Sarah / The Broad Institute  
 Collier, Sarah/ Northwestern University  
 Collins, Sean / Wayne State University / Bristol-Myers Squibb Company  
 Collins, Theresa/Certification Commission for Healthcare Interpreters  
 Collins, Theresa/National board of Certification for Medical Interpreters  
 COMPREHENSIVE CARE CENTER(CCC):STATE OF TN  
 Consulting Agreement: Ogilvy Government Relations Consulting Agreement.  
 Cookeville Regional Medical Center (Affiliation Agreement)  
 COOKEVILLE REGIONAL MEDICAL CENTER: PATIENT TRANSFER  
 COOKEVILLE REGIONAL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 COOL SPRINGS SURGERY CENTER: BUSINESS ASSOCIATE AGREEMENT  
 COOL SPRINGS SURGERY CENTER: PATHOLOGY AGREEMENT  
 Cooper, William (PARS)/Duke University Medical Center  
 Cooper, William (PARS)/RUSH UNIVERSITY MEDICAL CENTER  
 Cooper, William (PARS/BAA)/Palo Alto Medical Foundation  
 Cooper, William / (PARS) / GEISINGER SYSTEM SERVICES  
 Cooper, William / (PARS) / LOYOLA UNIVERSITY MEDICAL CENTER  
 Cooper, William / (PARS) / NORTHSHORE UNIVERSITY HEALTHSYSTEM  
 Cooper, William / (PARS) / ORTHOCAROLINA  
 COOPER, WILLIAM / (PARS) / REGENTS OF THE UNIVERSITY OF CALIFORNIA  
 Cooper, William / (PARS) / SAINT LOUIS UNIVERSITY d/b/a SLUCare  
 Cooper, William / (PARS) / SANFORD  
 Cooper, William / (PARS) / ST. JOHN'S MERCY MEDICAL CENTER  
 Cooper, William / (PARS) / STANFORD UNIVERSITY HOSPITALS AND CLINICS  
 COOPER, WILLIAM / (PARS) / THE QUEENS MEDICAL CENTER (QMC)  
 Cooper, William / (PARS) / UNIVERSITY OF ILLINOIS  
 Cooper, William / (PARS) / UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM  
 Cooper, William / (PARS) / UNIVERSITY OF PENNSYLVANIA as owner and operator of the UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM  
 Cooper, William / (PARS) / WAKE FOREST BAPTIST MEDICAL CENTER

## Vanderbilt University Medical Center Contracts

Cooper, William / Blue Cross Blue Shield, DUA  
 Cooper, William / Duke University Medical Center (PARS)  
 Cooper, William / University of Michigan (PARS/CORS)  
 Cooper, William/ (BAA/PARS) Edward Hospital and Linden Oaks Hospital  
 Cooper, William/ (PARS)/LUCILLE SALTER PACKARD CHILDRENS HOSPITAL: SERVICES AGREEMENT  
 Cooper, William/ (PARS)/University of Mississippi Medical Center  
 Cooper, William/(PARS)/ Charlotte Eye Ear Nose and Throat Assoc, P.A.  
 Cooper, William/(PARS)/ Johns Hopkins  
 Cooper, William/(PARS)/THE EMORY CLINIC, INC.  
 Cooper, William/Community Health Systems(PARS)  
 Cooper, William/Mercy Health/PARS  
 Cooper, William/North Mississippi Medical Center (PARS)  
 Cooper, William/NYP Cornell University/ PARS  
 Cooper, William/Renown Health/PARS - CORS  
 Cooper, William/Sanford-Bismarck (PARS)  
 Cooper, William/Suny Upstate Medical University/PARS  
 Cooper, William/The University of Rochester Medical Center/(PARS)  
 Cooper, William/University of Kentucky HealthCare/PARS  
 Cooper, William/University of Toledo College of Medicine and Life Sciences (PARS)  
 Cooper, William/Winchester Medical Center (PARS)  
 Copeland, Kate/Baby+Company/Pediatric Transport  
 Copeland, Mary/ Nashville Fire Department Emergency Medical Services  
 Copeland, Mary/First Call/First Call Ambulance Agreement/Pediatric Neonatal Transport  
 Core Lab Service: Ky Dept. of Public Health  
 CORE LAB SERVICES: Milne, Ginger/Children's Hospital Los Angeles/F2-Isoprostane research assays  
 Core Lab Services: University of Kentucky  
 CORE LAB: Sutcliffe, Cara/University of Alabama at Birmingham/Vantage - 96 GENHAT blood clot slurry samples  
 CORE LABS: Donahue, Edwin Patrick/The Broad Institute  
 Creech, Clarence/ Diatherix  
 CRITTENDEN HEALTH SYSTEMS: PATIENT TRANSFER  
 CROCKETT HOSPITAL: PEDS PATIENT TRANSFER  
 Cross, Janet/Metro Nashville Public Schools/MPBE  
 CROWE, JAMES E/VANDERBILT VACCINE CENTER AND INFANT FOUNDATION/ARGENTINA  
 Crowe, James/University of Jos Teaching Hospital/Nigeria/Measles  
 CULTURAL ENRICHMENT/ART LOAN AGREEMENT/PRIVATE COLLECTION OF JOHN MILLER  
 CULTURAL ENRICHMENT/ART LOAN AGREEMENT/PRIVATE COLLECTION PIECE/JEAN GAULD-JAEGER  
 CULTURAL ENRICHMENT: ALPERT, HERB  
 CULTURAL ENRICHMENT: BEN CALDWELL  
 CULTURAL ENRICHMENT: GRUBER, MARTIN  
 CULTURAL ENRICHMENT: MCGREW, DR. SUSAN  
 CULTURAL ENRICHMENT: PAUL AND GLORIA STERNBERG  
 Cumberland Heights:Peds Transfer Agreement  
 CUMBERLAND MEDICAL CENTER: PEDS PATIENT TRANSFER  
 CUMBERLAND PEDIATRIC FOUNDATION: LEASED EMPLOYEE SERVICES  
 CUMBERLAND RIVER HOSPITAL: PEDS PATIENT TRANSFER  
 Cupples, Amanda/South Gibson County High School/Observational  
 CURREY INGRAM ACADEMY - SPORTS MEDICINE PROGRAM  
 Das, Suman/Cargill  
 Data Transfer Agreement: Zheng, Wei/NIH/NCI (08-CN-145)  
 Data Use Agreement: Pediatric Clinical Care Consortium: University of Michigan  
 DAVITA/EAST EVANSVILLE DIALYSIS-RENAL LIFE LINK, INC.:KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/GARDENSIDE DIALYSIS-RENAL LIFE LINK, INC.:KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/TOTAL RENAL CARE INC./KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/TOTAL RENAL CARE, INC.: CLARKSVILLE NORTH DIALYSIS  
 DAVITA/TOTAL RENAL CARE, INC.: KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/TOTAL RENAL CARE, INC.: LEITCHFIELD DIALYSIS  
 DAVITA: TOTAL RENAL CARE/SPARTA DIALYSIS FACILITY  
 Dayani/Survivor Fitness Foundation  
 DCI DONOR SERVICES, INC. d/b/a TENNESSEE DONOR SERVICES/TRANSPLANT CENTER AGREEMENT  
 DCI: MASTER AGREEMENT: TRANSPLANT  
 DCS - EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT (EPSDT)  
 de Riesthal, Michael/ Vanderbilt Stallworth Rehabilitation Hospital/  
 Deaconess Hospital, Inc. - Patient Transfer Agreement - Trauma Patients  
 Deaconess Hospital, Inc.; Patient Transfer Agreement - Deaconess Primary Stroke Center  
 DeBaun, Michael/University of Mississippi Medical Center  
 DECATUR COUNTY HOSPITAL: PEDS PATIENT TRANSFER  
 DIGIRAD IMAGING SOLUTIONS, INC.  
 DMOCHOWSKI, ROGER/METRO PUBLIC HEALTH DEPARTMENT (EMERGENCY PREPAREDNESS)  
 DUA\_BAA: Ehrenfeld, Jesse/MPOG/University of Michigan  
 Dunworth, Brent/Emory University/Vanderbilt University/Clinical Affiliation  
 DVA RENAL HEALTHCARE, INC./PATIENT TRANSFER AGREEMENT  
 DVA RENAL HEALTHCARE, INC.: PATIENT TRANSFER  
 DVA RENAL HEALTHCARE/KIDNEY TRANSPLANT AFFILIATION AGREEMENT  
 Dyersburg Regional Medical Center: Patient Transfer Agreement  
 DYERSBURG REGIONAL MEDICAL CENTER: PEDIATRIC PATIENT TRANSFER  
 EASLEY DIALYSIS CENTER: TRANSPLANT  
 EAST TENNESSEE CHILDREN'S HOSPITAL: PEDS PATIENT TRANSFER  
 Ebert, Jon/Chaplin Hall/Univ of Chicago  
 Ebert, Jon/University of Tennessee Health Sciences Center/State of Tennessee Department of Children's Services  
 Edgeworth, Mitch/State of Tennessee Highland Rim Healthcare Coalition/Emergency Preparedness/MOA  
 Edwards, Todd/CHILDRENS HOSPITAL OF PHILADELPHIA/Medical Center Funds (Institutional)

## Vanderbilt University Medical Center Contracts

Ekstrom, Leeland / Pfizer  
 Employee Lease Agreement for the CEO of Vanderbilt Stallworth Rehabilitation Hospital  
 END STAGE RENAL DISEASE (ESRD): NETWORK MEMBERSHIP AGREEMENT  
 Epic: APP Orchard Contributor Agreement  
 ERLANGER HEALTH SYSTEM: BURN PATIENT TRANSFER  
 ESA: Jerome, Walter/Vanderbilt University  
 ESA: Aronoff, David/Vanderbilt University - TIPS  
 ESA: Barkin, Shari/Vanderbilt University  
 ESA: Blind, Raymond/Vanderbilt University  
 ESA: Blume, Jeffrey/Vanderbilt University  
 ESA: Brown, Clint/Vanderbilt University - COEUS Support  
 ESA: Carter, Allison/Vanderbilt University  
 ESA: Carter, Allison/Vanderbilt University  
 ESA: Carter, Allison/Vanderbilt University (Erick Spears)  
 ESA: Chadha, Mohit/Vanderbilt University  
 ESA: Chen, Jin/Vanderbilt University  
 ESA: Churchill, Larry/Vanderbilt University  
 ESA: Clayton, Ellen/Vanderbilt University  
 ESA: Courtney, Jeannine/Vanderbilt University  
 ESA: Courtney, Jeannine/Vanderbilt University  
 ESA: Damon, Bruce/Vanderbilt University  
 ESA: de Caestecker, Mark/Vanderbilt University  
 ESA: Decaestecker, Mark/Vanderbilt University  
 ESA: Doherty, Stephen/Vanderbilt University (Vikram Tiwari )  
 ESA: Dunbar, Jenni/Vanderbilt University - Peabody College  
 ESA: Edwards, Todd/Vanderbilt University  
 ESA: Emeson, Ronald/Vanderbilt University  
 ESA: Farrow, Melissa/Vanderbilt University  
 ESA: Gadd, Cynthia/Vanderbilt University  
 ESA: Girish, Hiremath/Vanderbilt University  
 ESA: Gonzales, Gilbert/Vanderbilt University  
 ESA: Gonzales, Gilbert/Vanderbilt University  
 ESA: Gore, John/Vanderbilt University - Anderson & Doe  
 ESA: Hartmann, Katherine/Vanderbilt University  
 ESA: Head, Doris/Vanderbilt University  
 ESA: Holroyd, Kenneth/Vanderbilt University  
 ESA: Hoover, Richard/Vanderbilt University  
 ESA: Johnson, Kevin/Vanderbilt University  
 ESA: Joosten, Yvonne/Vanderbilt University  
 ESA: Joosten, Yvonne/Vanderbilt University - Bruce  
 ESA: Joosten, Yvonne/Vanderbilt University (Velma Murry)  
 ESA: Juarez, Adam/Vanderbilt University  
 ESA: Levine, Edward/Vanderbilt University  
 ESA: Luther, James/Vanderbilt University  
 ESA: Malow, Beth/Vanderbilt University - TIPS Project  
 ESA: Manning, Henry/Vanderbilt University  
 ESA: Manning, Linda/Vanderbilt University  
 ESA: Meador, Keith/Vanderbilt University  
 ESA: Moroz, Sarah/Vanderbilt University  
 ESA: Nikpay, Sayeh/Vanderbilt University  
 ESA: Nikpay, Sayeh/Vanderbilt University  
 ESA: Ricketts, Todd/Vanderbilt University  
 ESA: Schuele, Clare/Vanderbilt University  
 ESA: Shelton, Amy/Vanderbilt University  
 ESA: Shyr, Yu/Vanderbilt University  
 ESA: Shyr, Yu/Vanderbilt University - Shilin Zhao  
 ESA: Silver, Heidi/Vanderbilt University - TIPS  
 ESA: Skaar, Eric/Vanderbilt University  
 ESA: Skaar, Eric/Vanderbilt University  
 ESA: Smith, Seth/Vanderbilt University  
 ESA: Somarajan, Suseela/Vanderbilt University  
 ESA: Stainbrook, Jennifer/Vanderbilt University  
 ESA: Starr, Suzanne/Vanderbilt University  
 ESA: Vanderbilt University/Non- MD Faculty Teaching  
 ESA: Wilkins, Consuelo/Vanderbilt University  
 ESA: Williams, Christopher/Vanderbilt University  
 ESA: Williamson, Edwin/Vanderbilt University  
 ESA: Alken, Christopher/ Vanderbilt University  
 ESA: Allyu, Muktar/ Vanderbilt University  
 ESA: Bergner, Erin; Vanderbilt University  
 ESA: Blind, Raymond/Vanderbilt University - Maria Malabanan  
 ESA: Bliss, Kenton/Vanderbilt University/Allied Health Accreditation  
 ESA: Courtney, Jeannie/ Vanderbilt University  
 ESA: Damon, Bruce/Vanderbilt University  
 ESA: Fanning, Joseph/ Vanderbilt University  
 ESA: Gore, John / Vanderbilt University  
 ESA: Hiremath, Girish / Vanderbilt University  
 ESA: Johnson, Christopher/ Vanderbilt University  
 ESA: Jordan, Lori/Vanderbilt University  
 ESA: Lacy, Dana/Vanderbilt University  
 ESA: Major, Amy/Vanderbilt University

## Vanderbilt University Medical Center Contracts

ESA: Milano, Elana/Vanderbilt University  
 ESA: Stafford, Tim/Vanderbilt University  
 ESA: Vanderbilt University/Jessica Overstreet  
 ESA: Williams, Phillip / Vanderbilt University  
 ESA: Williams, Phillip/ Vanderbilt University  
 ESA:Jerome, Walter/Vanderbilt University  
 ESA:Stafford, Tim/Vanderbilt University  
 Ess,Kevin /JACKSON-MADISON COUNTY GENERAL HOSPITAL  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt :Cracker Barrel - Executive Physicals  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt- Henner Healthcare  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/Bridgestone Americas  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/MIDWEST OCCUPATIONAL MEDICINE  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/Nashville Electric Service  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/OnSite Wellness LLC  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/Tractor Supply  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt. : Broadcast Music Inc. (Biometric Screenings)  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Broadcast Music, Inc. (Executive Health)  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Gideon's International  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/JeRight Aerospace Holdings  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/LRK, Inc.  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Rogers Group, Inc  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Smith and Nephew  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/UNARCORACK  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt: Bass Berry Sims  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt: CKE Restaurants Holdings, Inc.  
 Executive and Mariner Health at Vanderbilt: Nissan North America, Inc.  
 EXECUTIVE HEALTH RESOURCES (EHR)  
 Family Health Group, Inc.,  
 FDA/PA: Harrell, Frank (FDA)  
 Finlayson, Alistair James Reid; JourneyPure At The River (Center) LLC  
 Flsh, Frank/University of New Mexico/Pediatric Cardiology Professional Services Agreement  
 FMC of Lake Cumberland: Patient Transfer Agreement  
 FMCNA WATAUGA COUNTY/DIALYSIS TRANSPLANT AGREEMENT  
 FMC-PADUCAH, KENTUCKY (DIALYSIS)  
 Franklin Classical School: Sports Medicine  
 FRANKLIN COUNTY SCHOOL DISTRICT: MAMA LERE HEARING SCHOOL  
 FRANKLIN WOODS COMMUNITY HOSPITAL: BURN PATIENT TRANSFER  
 FREEDOM MIDDLE SCHOOL; SPORTS MEDICINE PROGRAM  
 Freeman, Michael/DRI TN/DHS National BioSurveillance Intergration Center (NBIC)  
 Freiberg, Matthew/University of Utah  
 Freiberg, Matthew/Yale University School of Medicine  
 FRESNIUS MEDICAL CARE OF HUNTSVILLE: DIALYSIS  
 FRESNIUS MEDICAL CARE OF MURRAY (PATIENT TRANSFER) DIALYSIS TRANSFER  
 FRESNIUS MEDICAL CARE: MASTER I  
 FRESNIUS MEDICAL SERVICES SOUTHEAST: DIALYSIS  
 Friedman, Elisa/Meharry Medical College  
 Friedman, Elisa/Neighborhood Resource Center/Meharry-Vanderbilt Alliance Foundation (MVCERP)  
 Friedman, Elisa/Prevent Child Abuse Tennessee/Meharry-Vanderbilt Alliance Foundation (MVCERP)  
 FT SANDERS PARKWEST MEDICAL CENTER: BURN PATIENT TRANSFER  
 FT SANDERS REGIONAL MEDICAL CENTER: CRITICAL PATIENT TRANSFER  
 Gadd,Cynthia /American Medical Informatics Association/Professional Services  
 Gailani, David/University of Leeds/Lab Services Agreement  
 GAMBRO HEALTH CARE DIALYSIS CLINICS: MASTER AGREEMENT  
 GATEWAY HEALTH SYSTEM, INC: NEONATOLOGY SERVICES & MEDICAL DIRECTOR  
 GATEWAY HEALTH SYSTEMS: ECHOCARDIOGRAM & EKG's  
 GATEWAY HEALTH SYSTEMS: PEDS PATIENT TRANSFER  
 Germain, Sean/Meharry - Hematology/Oncology - Special Circumstances Agreement  
 GET WITH THE GUIDELINES: AMERICAN HEART ASSOCIATION / AMERICAN STROKE ASSOCIATION  
 Gifford, Rene / ADVANCED BIONICS  
 GIFFORD, RENE / COCHLEAR AMERICAS  
 GME: NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: MASTER AFFILIATION AGREEMENT  
 GME: INTERFAITH CLINIC: RESIDENT DENTAL SERVICES  
 GME: NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: AFFILIATION ADDENDUM (UROLOGY RESIDENTS)  
 GME: St Thomas Midtown: Outgoing Resident/Fellow Rotation (Multiple Specialties)  
 GME: SUMNER REGIONAL MEDICAL CENTER: OUTGOING RESIDENT/FELLOW AFFILIATION (Emergency Medicine)  
 GME: VA AFFILIATION AGREEMENT  
 GOOD SAMARITAN HEALTH AND REHAB CENTER: PATIENT TRANSFER  
 Gracey, Kathy/Chapin Hall/Unlv of Chicago  
 Gracey, Kathy/Men of Valor/The Healing Trust  
 GRACEY, KATHY/METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (2-218740-13)/METROPOLITAN BOARD OF PUBLIC EDUCATION  
 Graham,Thomas (Brent) /East Tennessee Children's Hospital/  
 GREEN HILLS HEALTH AND REHAB CENTER: PATIENT TRANSFER  
 GREENVIEW REGIONAL HOSPITAL: PATIENT TRANSFER  
 Gregory, Luke/CHA Children's Hospital Assoc./Membership Agreement  
 Guttentag, Susan/University of Tennessee Health Science Center /State of Tennessee/Medical Director TIPQC  
 HABERMANN, RALF / GENTIVA HOSPICE: MEDICAL DIRECTOR  
 Hadjifrangiskou, Maria /Nestle Purina PetCare Global Resources, Inc  
 HAMILTON MEDICAL CENTER: PATIENT TRANSFER  
 HARBIN CLINIC: Hemodialysis and Transplant Agreement  
 HARDIN Medical Center: PEDS PATIENT TRANSFER  
 HARPETH DIALYSIS CLINIC, NATIONAL RENAL ALLIANCE, LLC

## Vanderbilt University Medical Center Contracts

HARPETH HIGH SCHOOL: VANDERBILT SPORTS MEDICINE SERVICES  
 Harris, Raymond / Davita Medical Director  
 HARTON REGIONAL MEDICAL CENTER: PATIENT TRANSFER AGREEMENT  
 Hatch, Hurst; Jennie Stuart Medical Center  
 Haun, Sheri/Erlanger Health System  
 Hayes, Marcus/Nashville Christian School/Hearing Services  
 Hayes, Marcus; Franklin Special School District; Vanderbilt University Medical Center  
 HCA/TRI-STAR: LIFEFLIGHT  
 HEARING AND SPEECH SCIENCES: SUMNER COUNTY SCHOOL DISTRICT (PROFESSIONAL SERVICES)  
 HENDERSON COUNTY COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 HENDERSONVILLE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 HENRY COUNTY MEDICAL CENTER: PEDS PATIENT TRANSFER  
 HERITAGE MEDICAL CENTER: PATIENT TRANSFER  
 HERITAGE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 HERMITAGE HALL: PATIENT TRANSFER  
 Hermitage Hall: Peds Patient Transfer  
 Hickman County Schools/Metro Board of Education (NCCDFC)/Mama Lere Hearing School  
 Hickson, Gerald (PARS)/ University of Southern California/Perioperative  
 Hileman, Jeffery/Impelsys Inc. - License Agreement  
 HILLSIDE HOSPITAL D/B/A SOUTHERN TENNESSEE REGIONAL HEALTH SYSTEM - PULASKI: PEDS PATIENT TRANSFER  
 Hood Lancaster, Lisa/Idiopathic Pulmonary Fibrosis Clinical Research Network  
 HORIZON MEDICAL CENTER: PEDS PATIENT TRANSFER  
 Horn, Leora / Merck Sharp & Dohme Corp. (SAC/MK-3475 KN 654)  
 Horn, Leora/ Merck Sharp & Dohme Corp. subsidiary of Merck & Co. Inc.  
 Hoskins, Timothy / Prep Football America  
 Hoskins Timothy /The Spring Hill Youth Football Association/Sports Medicine  
 Hospital Authority of Nashville - Metro Nashville General Hospital/VPLS Reference Lab  
 HOSPITAL HOSPITALITY HOUSE OF NASHVILLE, INC.  
 HOUSTON COUNTY COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 Hoyt, Alice//American Academy of Pediatrics/CATCH Technical Assistance  
 Hoyt, Alice/The Rector and Visitors of the University of Virginia/American Academy of Pediatrics  
 HTI MEMORIAL HOSPITAL, INC D/B/A TRISTAR SKYLINE MEDICAL CENTER/ PEDS PATIENT TRANSFER  
 HTI MEMORIAL HOSPITAL, INC., D/B/A SKYLINE MEDICAL CENTER: BURN PATIENT TRANSFER  
 HUBBARD, MARK/LYNX MEDICAL SYSTEMS, INC/  
 HUDSON, JULIE/AMERICAN HEART ASSOCIATION (HEART WALK)  
 HUDSON, JULIE/AMERICAN HEART ASSOCIATION (HEART WALK)(RUTHERFORD CO.)  
 Hunley, Tracy/Nationwide Childrens Hospital/NephCure Kidney Foundation - CureGN  
 Hurst (Pepper) Hatch/ Erlanger Health System  
 IMG Marketing Agreement : Sports Medicine  
 ImproveCare Now  
 INGRAM BARGE COMPANY SERVICE AGREEMENT  
 Inpatient and Outpatient Hospital Services: Allve Hospice  
 IRB Choice Master Agreement/Mountain States Health Alliance  
 IRB Choice Master Agreement: Mercy Hospital Springfield  
 IRB Choice Master Agreement: Thomas Jefferson University  
 IRB Choice Master Agreement: Wake Forest  
 IRB Choice Master/St. Jude Clinic at Huntsville  
 IRB Choice Master: East Tennessee State University  
 IRBChoice Master agreement : University of California, DAVIS  
 IRBChoice Master Agreement: Louisiana State University A&M College  
 IRBChoice Master Agreement: Louisiana State University Health Sciences Center in Shreveport  
 IRBChoice Master Agreement: Marshall University  
 IRBChoice Master Agreement: Medical University of South Carolina  
 IRBChoice Master Agreement: Ohio University  
 IRBChoice Master Agreement: Oregon Health & Science University  
 IRBChoice Master Agreement: Texas A & M University  
 IRBChoice Master Agreement: The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College represented by its Pennington Biomedical Research Center  
 IRBChoice Master Agreement: The Rockefeller University  
 IRBChoice Master Agreement: Tulane University  
 IRBChoice Master Agreement: UNewMexico (Regents of the University of New Mexico for its public operation known as the Health Sciences Center)  
 IRBChoice Master Agreement: University of California San Diego  
 IRBChoice Master Agreement: University of California, San Francisco  
 IRBChoice Master Agreement: University of Cincinnati  
 IRBChoice Master Agreement: University of Illinois at Chicago  
 IRBChoice Master Agreement: University of Miami  
 IRBChoice Master Agreement: University of Pennsylvania  
 IRBChoice Master Agreement: University of Pittsburgh  
 IRBChoice Master Agreement: University of Utah  
 IRBChoice Master Agreement: University of Washington  
 IRBChoice Master Agreement: UTHSC Houston (The University of Texas Health Science Center at Houston)  
 IRBChoice Master Agreement: West Virginia University  
 IRBChoice Master Agreement: Baylor Research Institute  
 IRBChoice Master Agreement: Duke  
 IRBChoice Master Agreement: Louisiana State University Health Sciences Center-New Orleans  
 IRBChoice Master Agreement: Medical University of South Carolina  
 IRBChoice Master Agreement: Ochsner Health System  
 IRBChoice Master Agreement: St. Clair Regional Medical Center  
 IRBChoice Master Agreement: Tufts Medical Center  
 IRBChoice Master Agreements: UT Health Science Center at San Antonio,  
 IRBChoice Master: Clinical Directors Network  
 IRBChoice Master Agreement/Stanford University



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IRBChoice Master Agreement: Baystate Health (Tufts affiliate)  
 IRBChoice Master Agreement: Mount Sinai (formerly IRBShare)  
 IRBchoice Master Agreement: The Children's Hospital of Philadelphia  
 IRBChoice Master Agreement: University of Kentucky  
 IRBChoice Master Agreement: University of Southern California  
 IRBChoice Master Agreement: Vanderbilt University  
 IRBchoice Master Agreement: Albert Einstein College of Medicine  
 IRBChoice Master Agreement: Augusta University  
 IRBChoice Master Agreement: Boston Children's Hospital  
 IRBChoice Master Agreement: Cincinnati Children's Hospital Medical Center  
 IRBChoice Master Agreement: Mississippi State University  
 IRBChoice Master Agreement: Montefiore Medical Center  
 IRBChoice Master Agreement: Novant Health  
 IRBChoice Master Agreement: Our Lady of the Lake Hospital, Inc.  
 IRBChoice Master Agreement: Seattle Children's Hospital  
 IRBChoice Master Agreement: St. Francis Health System, Inc.  
 IRBchoice Master Agreement: St. Jude Children's Research Hospital  
 IRBChoice Master Agreement: The Children's Mercy Hospital  
 IRBChoice Master Agreement: Tufts University  
 IRBChoice Master Agreement: University of Alabama at Birmingham  
 IRBchoice Master Agreement: University of California Berkeley  
 IRBChoice Master Agreement: University of Colorado-Denver  
 IRBChoice Master Agreement: University of Illinois at Chicago  
 IRBchoice Master Agreement: University of Louisville Research Foundation, Inc.  
 IRBchoice Master Agreement: University of Texas Southwestern Medical Center  
 IRBChoice Master Agreement: Virginia Commonwealth University  
 IRBChoice Master Agreement: Women & Infants Hospital of Rhode Island  
 IRBChoice Master Agreement: Xavier University of Louisiana  
 IRBChoice Master: Georgia Regents University  
 IRBChoice Master: Northwell Health  
 IRBshare Master Agreement: UCLA  
 IRBshare Master Agreement: University of Arkansas Medical School  
 IRBshare Master Agreement: Baystate Health Inc  
 IRBshare Master Agreement: Northshore Health Systems  
 IRBshare Master Agreement: Northwestern University  
 IRBshare Master Agreement: University of Minnesota  
 JACKSON MADISON COUNTY GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 JACKSON PURCHASE MEDICAL CENTER: PATIENT TRANSFER  
 JACKSON-MADISON CO GEN HOSP DIST: EXHIBIT II - ECHOCARDIOGRAM AND EKG INTERPRETATION  
 JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT (Outpatient Pediatric Services)  
 JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT (Space Use & Support Services)  
 JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT ANCILLARY SERVICES CONTRACT - Affiliation  
 Jacobs, Monica/Garretson Resolution Group, Inc./PSA  
 JACOBSON, GARY/AUDIOLOGY SERVICES: HERITAGE RETIREMENT FACILITIES  
 Jennie Stuart Medical Center/Telemedicine (Anesthesiology)  
 JENNIE STUART MEDICAL CENTER: PATIENT TRANSFER  
 Johnson, Kevin: Epic (Perioperative Management)  
 Johnson, Rachelle/The Board of Trustees of the Leland Stanford Junior University  
 JOINT COMMISSION RESOURCES: BUSINESS ASSOCIATE AGREEMENT  
 Jones, Margaret/West Tennessee Healthcare/Ophthalmology/Eye Institute/ROP  
 Jones, Pamela/Baby and Company Nashville 1 LLC  
 Joosten, Yvonne/Meharry-Vanderbilt Alliance Foundation/MVCERP  
 Joosten, Yvonne/St James Missionary Baptist Church  
 Joosten, Yvonne/Temple Church/Meharry-Vanderbilt Alliance Foundation (MVCERP)  
 JUNIOR LEAGUE OF NASHVILLE  
 KEHLER, LORI ANN/ STATE OF TENNESSEE / DEPARTMENT OF EDUCATION  
 Killian,Karon/ EduMed Partners, LLC  
 KINDRED HOSPITAL NASHVILLE: BURN PATIENT TRANSFER  
 Kirschner, Austin/Clarity Patient Safety Organization  
 Knuutila, Ronald, Women Obstetrics and Gynecology (Employee Lease Agreement)  
 Koues, Olivia/Boston University School of Medicine/Research Core  
 Koues, Olivia/University of Arizona/CORES  
 Kuhn, John / Bellevue Athletic Association, Inc.  
 Kuhn, John/A & M Services  
 KUHN, JOHN/MIDDLE TENNESSEE STATE UNIVERSITY  
 KUHN, JOHN/NASHVILLE CHRISTIAN SCHOOL - SPORTS MEDICINE PROGRAM  
 Kuhn, John/Nashville Track Club/Athletic Trainer  
 KUHN, JOHN: XCELERATE LACROSSE - EVENT MEDICAL COVERAGE  
 Kuhn, Tarah /State of Tennessee Department of Children's Services/35910-01975  
 LAUDERDALE COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 LAUGHLIN MEMORIAL HOSPITAL: PATIENT TRANSFER  
 LEBONHEUR CHILDREN'S HOSPITAL/OUTBOUND PEDS PATIENT TRANSFER  
 Lee, James/Battle Ground Academy (Impact Test Reimbursement)  
 Lee, James/Brentwood Academy/Concussion Testing (ImPACT Testing)  
 Lee, James/Brentwood High School and Middle School Girls Lacrosse/ImPACT Testing Concussion Testing  
 Lee, James/Harpeth High School(Impact Test Reimbursement)  
 Lee, James/Nashville Christian School/ImPACT Testing Agreement  
 Lee, James/Ravenwood Boys Lacrosse/Sports Medicine/Concussion Testing  
 Lee, James/University School of Nashville(ImPACT Test Reimbursement)  
 Lee, James/Williamson County Schools/Concussion Testing (ImPACT Testing)  
 Lee, James/Woodland Middle School Lacrosse/Sports Medicine/Concussion Testing

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Leeland Ekstrom/Genewiz, Inc. (Master Services Agreement)  
 Leeland Ekstrom/Goldfinch Bio  
 Lehmann, Christoph /American Academy of Pediatrics/6670-37355  
 Lemley, Mary/Charleston Birth Place  
 Levis, William/Specialty Care  
 LEVY, MIA / MELANOMA RESEARCH FOUNDATION  
 Levy, Mia/CancerLinQ LLC  
 Levy, Mia/GenomOncology  
 License Agreement: Vanderbilt University/Maury Regional Medical Center  
 LICENSE AGREEMENT: WESTERN PSYCHOLOGICAL SERVICES  
 LifeFlight: Hensly, Lis / CMA Music Festival  
 LIFEFLIGHT: Belmont University  
 LifeFlight: Engine Shop  
 LIFEFLIGHT: FLIGHT VECTOR COMPUTER AIDED DISPATCH SOFTWARE  
 LIFEFLIGHT: LEBANON MUNICIPAL AIRPORT (HANGAR LEASE)  
 LifeFlight: Nashville Sounds  
 LifeFlight: Thunder on the Cumberland boat race  
 LIFEFLIGHT: TULLAHOMA MUNICIPAL AIRPORT AUTHORITY, INC. LEASE  
 LINCOLN MEDICAL CENTER: PATIENT TRANSFER  
 LINCOLN REGIONAL HOSPITAL (now Lincoln Medical Center): PEDS PATIENT TRANSFER  
 Lindman, Brian / Edwards Life Sciences LLC (EARLY-TAVR biobank)  
 LIPSCOMB UNIVERSITY: CLINICAL PHARMACY SERVICES  
 LIVINGSTON REGIONAL HOSPITAL: PATIENT TRANSFER  
 LIVINGSTON REGIONAL HOSPITAL: PEDS PATIENT TRANSFER  
 Lobo,Bob /Lipscomb University/Vanderbilt Poison Center Pharmacist  
 LOGAN MEMORIAL HOSPITAL: CRITICAL CARE PATIENT TRANSFER  
 LOGAN MEMORIAL: PATIENT TRANSFER  
 LONE STAR CONSULTING SERVICES, INC/D/B/A MES PEER REVIEW SERVICES  
 LOURDES HOSPITAL: PATIENT TRANSFER  
 Loyd, Jim / University of Kentucky / DSMB Indemnification  
 Luckett, Joseph/Southern Illinois University/CORES  
 Luckett, Joseph/University of Wisconsin-Madison/CORES  
 Macdonald, Robert /Laughlin Memorial Hospital  
 Macdonald, Robert /Mountain States Health Alliance  
 MacDonald, Robert/Riverview Regional Medical Center  
 MACON COUNTY GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Madan Jagasia/Novartis Pharmaceuticals Corporation (Master Services Agreement)  
 Mandato, Kathleen/Gratuitous Training Agreement with Army-Baylor Program  
 MARSHALL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 MARTIN DIALYSIS CENTER / RCG: TRANSPLANT  
 Marx, Edward/Pershing Yoakley/MSA Master  
 Master Service Agreement: Room in the Inn (RITI)  
 Master Services Agreement: Morris, John/Tennessee Health Management, Inc.  
 Master: Employee Service Agreement (ESA)-Interim Administrative Services for VUMC  
 Master: Employee Services Agreement (ESA)--Academic Services  
 MASTER: Employee Services Agreement (ESA)--Clinical Services  
 MASTER: Employee Services Agreement (ESA)-VU General Business Services  
 MASTER: Employee Services Agreement (ESA)--VUMC General Business Services  
 MASTER: IRBCHOICE Master Agreement (IMA) (formerly IRBshare)  
 MASTER: MASTER: DUKE UNIVERSITY/RAPID START/DUKE CLINICAL RESEARCH INSTITUTE (DCRI) (FEDERAL CONTRACTS)  
 MASTER: MILNE, GINGER/BIOGEN IDEC, INC.  
 Master: Poison Prevention Membership Agreement / Vanderbilt University Medical Center  
 Maury Regional Hospital D/B/A Maury Regional Medical Center (Affiliation Agreement)  
 MAURY REGIONAL HOSPITAL: EKG & ECHO  
 MAURY REGIONAL HOSPITAL: LABORATORY SERVICES AGREEMENT  
 MAURY REGIONAL HOSPITAL: PATIENT TRANSFER  
 MAURY REGIONAL HOSPITAL: PEDS PATIENT TRANSFER  
 Maury Regional Hospital: Professional Service agreement (Cardiac Diagnostics)  
 MAURY REGIONAL HOSPITAL: PROFESSIONAL SERVICES AND NURSE PRACTITIONER STAFF AGREEMENT  
 Mccarver, Catherine/Society of Cardiovascular Patient Care, Inc.  
 McCaslin, Devin/MusiCares  
 McKenna, Samuel/Nashville Predators/Dental  
 McKinney, Jared/Nashville Zoo/Medical Director  
 McMinnville Dialysis Clinic  
 McQueen, Kathryn/G4 Alliance Global Campaign  
 MEADOWS, THE: EMERGENCY PATIENT TRANSFER  
 MED ACTION PLAN: BUSINESS ASSOCIATE AGREEMENT  
 MEDICAL CENTER AT BOWLING GREEN - PATIENT TRANSFER  
 MEDICAL CENTER AT SCOTTSVILLE: PATIENT TRANSFER  
 Medical Director Agreement: Baby + Company Nashville 1 LLC  
 Medical Director Agreement: VUMC/Maury Regional Medical Center (CARDIAC & PULMONARY REHAB SERVICES)  
 Medical Director Agreement: VUMC/Maury Regional Medical Center (CARDIAC CATHETERIZATION PROGRAM)  
 Medical Director Agreement: VUMC/Williamson Medical Center  
 MEHARRY MEDICAL COLLEGE: CARDIAC SERVICES  
 Meharry Medical College: Digital Library Interface and Server Use Agreement  
 MEHARRY: MASTER CONTRACT FOR PROFESSIONAL SERVICES  
 MEHARRY-VANDERBILT MEMORANDUM OF UNDERSTANDING (MOU)  
 MEMORANDUM OF UNDERSTANDING: Murdoch University, Western Australia,  
 METHODIST HEALTHCARE LEBONHEUR CHILDREN'S MEDICAL CENTER: PEDS PATIENT TRANSFER  
 Methodist Hospital Union County Kentucky: PATIENT TRANSFER AGREEMENT  
 METRO BOARD OF EDUCATION: MASTER AGREEMENT

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Metro General Contract/ Ancillary Services Agreement (For Professional Services)  
 METRO GOVERNMENT: HOSPITAL DIVERSION POLICY MOU  
 METRO NASHVILLE GENERAL HOSPITAL: BURN PATIENT TRANSFER  
 METROPOLITAN BOARD OF EDUCATION: SPORTS MEDICINE SERVICES ANNEX A  
 METROPOLITAN BOARD OF EDUCATION: SPORTS MEDICINE SERVICES ANNEX II  
 METROPOLITAN FIRE DEPT: EXPOSURE CONTROL CONSULTANT (RAFFANTI)  
 METROPOLITAN FIRE DEPT: MEDICAL CONSULTANT (SLOVIS)  
 Metropolitan Government of Nashville and Davidson County/Electric Power Board/800 MHZ SYSTEM  
 METROPOLITAN HOSPITAL AUTHORITY: FORENSIC EXAMINATION OF RAPE VICTIMS  
 Mla Levy/Tempus Labs, Inc  
 Middle Tennessee State University- Clinical Affiliation Agreement  
 Midgett, Danielle/Cookeville Regional Medical Center/Credentialing for Telemedicine  
 Midgett, Danielle/National Committee on Quality Assurance/CVO Survey  
 MILAN GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Miller, Richard/ Westat Corporation/ University of Michigan  
 Miller, Richard/Sumner County Regional Medical Center/Co-Medical Director  
 Milne, Ginger/University Of California, San Francisco/MTA Agreement  
 Milne, Ginger/Waters Technologies Corporation  
 Milne,Ginger /Parion Sciences, Inc./Research Core  
 Mini-Master: Siemens Medical Solutions USA, Inc. (Software Support)  
 MISRA, SUMATHI / GENTIVA HOSPICE: ASSOCIATE MEDICAL DIRECTOR  
 Missouri State University: Child Life Internshlp  
 MNGH/MEHARRY MEDICAL COLLEGE: ALIYU, MUKTAR (Preceptor provided by VU)  
 MNGH/MEHARRY: AFFILIATION ADDENDUM (NEUROLOGY SERVICES PROVIDED BY MEHARRY)(Singh)  
 MNGH: MEHARRY AFFILIATION (NEUROLOGY SERVICES)(Services provided by Dr. Bangalore-Vittal)  
 Moon, D. Troy/Lwala Community Alliance  
 MORRISTOWN-HAMBLE HOSPITAL: PATIENT TRANSFER  
 Moses,Kelvin /Geislinger Clinic  
 MOU - Country Music Association, Inc  
 MOU: Vanderbilt University Medical Center/ACGME  
 MOU: Bachmann, Katherine/University of Kentucky  
 MOU: Long, Jirong/University of Cambridge/Breast Cancer Association Consortium (BCAC)  
 MOU: Morris Jr, John/Mid-Cumberland Human Resource Agency  
 MOU: Raffanti, Stephen/Montgomery Aids Outreach, Inc./Transforming Instructional Practice pilot program  
 MOU: Rothman, Russell L./Mid-Cumberland Human Resource Agency  
 MOU: Rothman, Russell/National Evaluation System of Health Technology Coordinating Center (NESTcc)  
 MOU: Shah, Hamid/Christopher and Dana Reeve Foundation  
 MOU: Vanderbilt/University of Nairobi, Kenya  
 MOU: Vanderbilt/University of Valencia  
 MOUNTAIN STATES HEALTH ALLIANCE/JOHNSON CITY MEDICAL CENTER/Affiliation  
 MOUNTAIN STATES HEALTH ALLIANCE: PATIENT TRANSFER  
 MSPH/Meharry Medical College: Affiliation Agreement  
 Murall Kolli/St. Thomas Heart/Integrated Cardiac Services  
 MUR-CI HOMES, INC: HABERMANN, RALF (NURSE PRACTITIONER)  
 MUR-CI HOMES, INC: MEDICAL DIRECTOR (HABERMANN)  
 MUSIC CITY CREMATORY SERVICES  
 MUTUAL AGREEMENT FOR EMERGENCY PATIENT TRANSFER  
 Mutual Collaboration Agreement: Vanderbilt University/Stratus Healthcare, LLC/Affiliation  
 NASHVILLE FC YOUTH: ATHLETIC TRAINER  
 NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: AFFILIATION ADDENDUM (RHEUMATOLOGY FACULTY SERVICES)  
 NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: AFFILIATION ADDENDUM (UROLOGY FACULTY SERVICES)  
 NASHVILLE INTERNATIONAL AIRPORT: MEDICAL CONSULTANT (SLOVIS)  
 NASHVILLE PREDATORS HEALTH CARE AGREEMENT  
 National Business Group on Health: Executive Committee on Value Purchasing  
 National HealthCare Corporation  
 National HealthCare Corporation - Master Services Agreement  
 NATIONAL MARROW DONOR PROGRAM (NMDP)/APHERESIS CENTER PARTICIPATION AGREEMENT (ACPA)  
 NATIONAL MARROW DONOR PROGRAM (NMDP)/COLLECTION CENTER PARTICIPATION AGREEMENT (CCPA)  
 NATIONAL MARROW DONOR PROGRAM (NMDP)/TRANSPLANT CENTER PARTICIPATION AGREEMENT(TCPA)  
 National Marrow Donor Program: Related Donor Services Agreement  
 Navitus Health Solutions: Pharmacy Management Services Agreement  
 NEONATAL UNIT/PROFESSIONAL SERVICES AGREEMENT: JACKSON-MADISON COUNTY GENERAL HOSPITAL  
 NEPD: Affiliation Agreement: University of Michigan-Flint School of Nursing  
 NEPD: Indiana State University School of Applied Medicine and Rehabilitation  
 NEPD: King University, School of Nursing  
 NEPD: PHYSICIAN ASSISTANT/Wake Forest University  
 Neuss, Michael/Chapman Medical Quality, LLC  
 NEWTON DIALYSIS CENTER/RCG: TRANSPLANT  
 Newton, Mark/Hospital Support Organization/The ELMA Foundation  
 Newton, Mark/The ELMA Foundation  
 Non Sponsored Billing Agreement: Meador, Keith  
 Non-Sponsored Billing Agreement: Creech, Clarence/Vanderbilt University - Soper  
 Non-Sponsored Billing Agreement: Dwyer, Robert/ Vanderbilt University  
 Non-Sponsored Billing Agreement: Shelton, Amy/ Vanderbilt University  
 Non-Sponsored Billing Agreement: Vanderbilt University (Nicole Soper)  
 Non-Sponsored Billing Agreement: Vanderbilt University/Emma Schremp  
 Noonan, Kevin /Air Methods Corporation ADM/LEASE  
 Noonan, Kevin/Department of the Army/DACA27-9-16-022  
 Noonan, Kevin/Music City Eats EMS Agreement  
 NORTHCREST HOSPITAL: PATIENT TRANSFER AGREEMENT  
 Northcrest Medical Center / OB/GYN services

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NORTHCREST MEDICAL CENTER: PEDS PATIENT TRANSFER  
 NRA MANCHESTER, TENNESSEE, DBA MANCHESTER DIALYSIS CLINIC, LLC  
 NSBA: Alvarez, Ronald /Vanderbilt University  
 NSBA:Harrison, Julla/Vanderbilt University  
 NURSES FOR NEWBORNS: BUSINESS ASSOCIATE AGREEMENT (BAA)  
 Nyman, Jeffry/DCI Donor Services Tissue Bank  
 Nyman, Jeffry/Quanta Imaging  
 Nyman, Jeffry/Sanofi US Services Inc.  
 OKULICK, JOHN: ARTWORKS  
 Oncology Care Model : Centers for Medicare and Medicaid Services  
 One Hundred Oaks Imaging, LLC: Professional Services  
 OPTION SCHOOLS: AUDITORY ORAL EDUCATION DATA REPOSITORY  
 ORAL FACIAL SURGERY CENTER: PATIENT TRANSFER  
 OUR KIDS, INC.: PROFESSIONAL SERVICES AGREEMENT (PEDIATRICS)  
 OUTBOUND PATIENT TRANSFER: BETHANY HEALTH CARE CENTER  
 OUTBOUND PATIENT TRANSFER: METROPOLITAN NASHVILLE GENERAL HOSPITAL  
 OUTBOUND PATIENT TRANSFER: TREVECCA HEALTH CARE CENTER  
 Pal, Tuya/Moffitt ICARE Assignment  
 Parker, Teresa/URAC/Accreditation Agreement  
 Parkridge West Hospital (formerly GRANDVIEW MEDICAL CENTER): PATIENT TRANSFER  
 PARS:Cooper, William / North Mississippi Medical Center  
 PATIENT AND FAMILY CENTERED CARE: METROPOLITAN NASHVILLE SCHOOLS  
 Patient Transfer Agreement: Baby + Company Nashville 1 LLC  
 Patient Transfer Agreement: Baptist healthcare System, Inc/D/B/A Baptist Health Paducah  
 Patient Transfer Agreement: Big South Fork Medical Center  
 Patient Transfer Agreement: Grayson County Hospital Foundations, Inc. d/b/a Twin Lakes Regional Medical Center  
 Patient Transfer Agreement: NHC Place Sumner  
 Patient Transfer Agreement: The Nextdoor, Inc.  
 Patient Transfer Agreement: Vanderbilt Imaging Services - One Hundred Oaks Imaging  
 Patient Transfer Agreement: Vanderbilt University Hospital/University Medical Center (Lebanon, TN)  
 PATIENT TRANSFER: TN Fertility Institute  
 Patient Transfer: Vanderebilt Gateway Cancer Center/ DBA Gateway-Vanderbilt Cancer Treatment Center: Gateway Health System  
 Patterson, Barron Lee/ American Academy of Pedlatics/  
 Patton,James A /Women Obstetrics and Gynecology  
 PCA SOUTHEAST/FERRELL, OLSON, MOORE, PEARSON, BRAMLETT, PLLC - (BOYD, ALAN, M.D.)  
 Peds Patient Transfer Agreement - Medical Center at Scottsville  
 Perinatal Affiliation: Jennie Stuart Level II NICU  
 Perrien, Daniel / InviCRO, LLC  
 Peters, Thomas/Sebastian Hospital, LLC  
 Peters, Thomas/Tennova Healthcare Lebanon  
 Peters. Thomas/Ochsner Medical Center/VPLS  
 Pharmacy Services Agreement: Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC.  
 Physician Assistant: Bosworth, Susan/ University of Tennessee Health Science Center  
 Physician Services Agreement: Ortho Surgery - Meharry Medical College  
 Physicians Regional Medical Center(Tennova Healthcare): Patient Transfer  
 PIERCE, RICHARD/HERITAGE MEDICAL ASSOCIATES, P.C.; PROFESSIONAL SERVICES AGREEMENT  
 Pietenpol, Jennifer/ VICC - Baptist Memorial Healthcare Corporation  
 Pietenpol, Jennifer/Baptist Memorial Health Care Corporation  
 PinnacleCare Consultation Services Agreement  
 Pioneer Community Hospital of Scott County: PATIENT TRANSFER AGREEMENT  
 PLANNED PARENTHOOD: PATIENT TRANSFER SPECIAL  
 POISON PREVENTION: BAPTIST MEMORIAL HEALTHCARE COPORATION  
 POISON PREVENTION: BLOUNT MEMORIAL HOSPITAL  
 POISON PREVENTION: CLAIBORNE COUNTY HOSPITAL  
 POISON PREVENTION: COOKEVILLE REGIONAL GENERAL HOSPITAL  
 POISON PREVENTION: CUMBERLAND MEDICAL CENTER  
 POISON PREVENTION: CUMBERLAND RIVER HOSPITAL  
 POISON PREVENTION: DECATUR COUNTY GENERAL HOSPITAL  
 POISON PREVENTION: Dekalb Community Hospital  
 POISON PREVENTION: DELTA MEDICAL CENTER  
 POISON PREVENTION: DENVER HEALTH AND HOSPITAL AUTHORITY  
 POISON PREVENTION: DYERSBURG REGIONAL MEDICAL CENTER  
 POISON PREVENTION: EAST TENNESSEE CHILDREN'S HOSPITAL  
 POISON PREVENTION: FORT SANDERS REGIONAL MEDICAL CENTER  
 POISON PREVENTION: GRANDVIEW MEDICAL CENTER  
 POISON PREVENTION: HAWKINS COUNTY MEMORIAL HOSPITAL  
 POISON PREVENTION: HAYWOOD PARK COMMUNITY HOSPITAL  
 POISON PREVENTION: HENRY COUNTY MEDICAL CENTER  
 POISON PREVENTION: HERITAGE MEDICAL CENTER  
 POISON PREVENTION: HOLSTON VALLEY MEDICAL CENTER  
 POISON PREVENTION: HOUSTON COUNTY COMMUNITY HOSPITAL  
 POISON PREVENTION: JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT  
 POISON PREVENTION: JAMESTOWN REGIONAL MEDICAL CENTER  
 POISON PREVENTION: JELICO COMMUNITY HOSPITAL  
 POISON PREVENTION: LAKEWAY REGIONAL HOSPITAL  
 POISON PREVENTION: LAUGHLIN MEMORIAL HOSPITAL  
 POISON PREVENTION: LINCOLN MEDICAL CENTER  
 POISON PREVENTION: LIVINGSTON REGIONAL HOSPITAL  
 POISON PREVENTION: MACON COUNTY GENERAL HOSPITAL  
 POISON PREVENTION: MARSHALL MEDICAL CENTER  
 POISON PREVENTION: MAURY REGIONAL HOSPITAL

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POISON PREVENTION: MCNAIRY HOSPITAL  
 POISON PREVENTION: MEMORIAL HEALTHCARE SYSTEM  
 POISON PREVENTION: METHODIST FAYETTE HOSPITAL  
 POISON PREVENTION: METHODIST HEALTHCARE - MEMPHIS HOSPITALS - SOUTH CAMPUS  
 POISON PREVENTION: METHODIST LEBONHEUR HEALTHCARE  
 POISON PREVENTION: METRO NASHVILLE GENERAL HOSPITAL  
 POISON PREVENTION: MORRISTOWN-HAMBLÉN HEALTHCARE SYSTEME  
 POISON PREVENTION: MOUNTAIN STATES HEALTH ALLIANCE  
 POISON PREVENTION: NorthCrest Medical Center  
 POISON PREVENTION: PARKWEST MEDICAL CENTER  
 POISON PREVENTION: PERRY COMMUNITY HOSPITAL  
 POISON PREVENTION: RHEA MEDICAL CENTER  
 POISON PREVENTION: RIVER PARK HOSPITAL (McMINNVILLE)  
 POISON PREVENTION: RIVERVIEW REGIONAL MEDICAL CENTER  
 POISON PREVENTION: SAINT FRANCIS HOSPITAL-BARTLETT  
 POISON PREVENTION: SAINT FRANCIS HOSPITAL-MEMPHIS  
 POISON PREVENTION: Shelby County Health Care Corporation d/b/a Regional One Health and formerly d/b/a REGIONAL MEDICAL CENTER AT MEMPHIS  
 POISON PREVENTION: SOUTHERN TENNESSEE MEDICAL CENTER  
 POISON PREVENTION: Southern TN Regional Health System -Pulaski  
 POISON PREVENTION: ST. JUDE CHILDREN'S RESEARCH HOSPITAL  
 POISON PREVENTION: ST. THOMAS HOSPITAL  
 POISON PREVENTION: SUMNER REGIONAL HEALTH SYSTEMS INC  
 POISON PREVENTION: TAKOMA REGIONAL HOSPITAL  
 POISON PREVENTION: Tennova Healthcare (formerly MERCY HEALTH PARTNERS, INC. )  
 POISON PREVENTION: Tennova Healthcare- Cleveland  
 POISON PREVENTION: Tennova Healthcare Regional Jackson  
 POISON PREVENTION: Tennova Healthcare, Clarksville (GATEWAY MEDICAL CENTER )  
 POISON PREVENTION: Tennova Volunteer Hospital  
 POISON PREVENTION: THE UNIVERSITY OF TENNESSEE MEDICAL CENTER  
 POISON PREVENTION: THREE RIVERS COMMUNITY HOSPITAL  
 POISON PREVENTION: TRISTAR HEALTH SYSTEM, INC.  
 POISON PREVENTION: TROUSDALE MEDICAL CENTER  
 POISON PREVENTION: TULLAHOMA HMA, LLC. D/B/A HARTON REGIONAL MEDICAL CENTER  
 POISON PREVENTION: UNICOI COUNTY MEMORIAL HOSPITAL  
 POISON PREVENTION: UNITED REGIONAL MEDICAL CENTER  
 POISON PREVENTION: UNIVERSITY MEDICAL CENTER  
 POISON PREVENTION: WAYNE MEDICAL CENTER  
 POISON PREVENTION: WHITE COUNTY HOSPITAL  
 POISON PREVENTION: WILLIAMSON MEDICAL CENTER  
 POISON PREVENTION: WOODS MEMORIAL HOSPITAL DISTRICT  
 POISON PREVENTION:SOUTHERN TN REGIONAL HEALTH SYSTEM - LAWRENCEBURG  
 POISON PREVENTION:State of Tennessee Department of Health/GR-12-37671-01/Bioterror  
 Posch, David/Association of American Medical Colleges  
 Posch, David/Association of American Medical Colleges/(AAMC)/(CMS)  
 Posch, David/Vanderbilt Health Affiliated Network, LLC/Analytics support  
 POST OFFICE AGREEMENT: VUMC OPERATION  
 Poullose, Benjamin/American Hernia Society  
 POULOSE, BENJAMIN/STICHTING EUROQUOL GROUP  
 PROFESSIONAL SERVICE AGREEMENT: Special Olympics Tennessee  
 Professional Service Agreement: VUMC/Marriott International, Inc (Marriott Primary Care Clinic)  
 Professional Service Agreement: Parkridge Contract PKREH-83780 Neonatal Ophthalmology Coverage  
 Professional Services - Levis, William/Dept. of Veterans Affairs  
 Professional Services Agreement - Northcrest Medical Center (Stroke consultations via Telemedicine)  
 Professional Services Agreement - Sumner Regional Medical Center/VUMC - Stroke Neurology  
 Professional Services Agreement: Baby + Company Nashville 1 LLC  
 Professional Services Agreement: Castellanos, Emily/Meharry Medical College (Oncology)  
 Professional Services Agreement: Jones, Pamela/Cole Family Practice  
 Professional Services Agreement: King, Lloyd/David Horowitz, M.D.  
 Professional Services Agreement: Macdonald, Robert/Blount Memorial Hospital  
 Professional Services Agreement: Macdonald, Robert/Cookeville Regional Medical Center (tele-neurology consultation)  
 Professional Services Agreement: Macdonald, Robert/Livingston Regional Hospital (teleneurology consultation)  
 Professional Services Agreement: Newhouse, Paul/Birchwood Terrace Healthcare  
 Professional Services Agreement: PM&R Services/Meharry Medical College  
 Professional Services Agreement: Vanderbilt/Park Center, Inc.  
 Professional Services Agreement: VMG/Williamson Medical Center (EKG INTERPRETATION)  
 PROFESSIONAL SERVICES AGREEMENT:GEORGETOWN PUBLIC HOSPITAL CORPORATION (GUYANA, SOUTH AMERICA)  
 Professional Services Agreement:VUMC/Williamson Medical Center (stroke)  
 Professional Services: Rehm, Kris/VIP Midsouth, LLC  
 PROFESSIONAL SERVICES: Abe's Garden Consultant Agreement  
 Professional Services: Baldwin, H Scott/Cookeville Regional Medical Center Authority  
 Professional Services: Bibeau, Deborah/CardioLabs  
 Professional Services: Brock III, John/Baptist Memorial Hospital - Memphis  
 Professional Services: Freiberg, Matthew/University of Pittsburgh/  
 Professional Services: Guttentag, Susan/Sumner Regional Medical Center, LLC  
 Professional Services: McDonald, Brent/Berkeley Research Group, LLC  
 Professional Services: Noonan, Kevin/Ritchie Bros. Auctioneers (America), Inc./Lifeflight  
 Professional Services: Warren, Zachary/Alaska Department of Health & Social Services  
 PROFESSIONAL SERVICES:TENNESSEE WOMEN'S CARE  
 PROVIDER ENROLLMENT AGREEMENT: VANDERBILT IMAGING SERVICES LLC, DBA HILLSBORO IMAGING  
 PROVIDER ENROLLMENT AGREEMENT: WILLIAMSON IMAGING LLC  
 PROVIDER SUPPORT SERVICES: PRACTITIONER HOSPITAL DATA BANK

## Vanderbilt University Medical Center Contracts

PSA: Shah, Shailja/Meharry Medical College (Gastroenterology)  
 PSA: WILLIAMSON MEDICAL CENTER: INFECTIOUS DISEASE CONSULTATION  
 QSOURCE PROVIDER # 440039 (MOU)  
 Quality & Patient Safety:Tennessee Healthcare Education and Research Foundation Collaboration  
 Raffanti, Stephen/Central Mississippi Civic Improvement Association, Inc./Health Resources and Services Administration  
 Raffanti, Stephen/Cornea Consultants of Nashville  
 Raffanti, Stephen/Diagnostic Health Centers of Tennessee  
 Raffanti, Stephen/Gold Skin Care  
 Raffanti, Stephen/Health Care Center for the Homeless, Inc./Health Resources and Services Administration/  
 Raffanti, Stephen/Nashville Surgical Associates  
 Raffanti, Stephen/Southside Medical Center, Inc./Health Resources and Services Administration/  
 Raffanti, Stephen/VUMC One Hundred Oaks Imaging  
 Rawlings, Keith / Deborah Edmonson  
 REAL TIME NEUROMONITORING ASSOCIATES, PLLC/PROFESSIONAL SERVICES AGREEMENT  
 REGION III GIRLS SOCCER TOURNAMENT - ATHLETIC TRAINER  
 REGIONAL HOSPITAL OF JACKSON: PATIENT TRANSFER  
 Reimschisel, Tyler/State of Tennessee, Department of Health/Centers For Disease Control and Prevention (CDC)/Neurologic Birth Defects Education Services  
 RENAL CARE GROUP: MCMINNVILLE, TN / HEMODIALYSIS & TRANSPLANT AGREEMENT  
 RENAL CARE GROUP: WINCHESTER, TN / HEMODIALYSIS & TRANSPLANT AGREEMENT  
 Research Match: University of Texas at Arlington  
 ResearchMatch Agreement : Harvard  
 ResearchMatch Agreement: Group Health Research Institute/UNIVERSITY OF WASHINGTON ( Kaiser Permanente )  
 ResearchMatch Agreement: Laureate Institute for Brain Research  
 ResearchMatch Agreement: University of Miami  
 ResearchMatch Master: University of Dallas at Texas  
 ResearchMatch Master:American University  
 ResearchMatch MIRA: Byrne, Loretta / Hospital for Special Surgery  
 ResearchMatch MIRA: The Pennsylvania State University  
 ResearchMatch MIRA: University of Puerto Rico  
 ResearchMatch MIRA: Vanderbilt University  
 ResearchMatch/Ohio University  
 ResearchMatch: Advocate Health and Hospital Corporation  
 ResearchMatch: Arizona State University  
 ResearchMatch: Banner Health d/b/a Banner Alzheimer's Institute  
 ResearchMatch: Brigham and Womens Hospital Inc.  
 ResearchMatch: Byrne, Loretta/ University of Saint Louis  
 ResearchMatch: Children's Hospital Los Angeles  
 ResearchMatch: Fordham University  
 ResearchMatch: Kessler Foundation  
 ResearchMatch: La Jolla Institute for Allergy and Immunology  
 ResearchMatch: Louis Stokes Cleveland VA Medical Center  
 ResearchMatch: MASTER Institutional Registry Agreement for Academic Medical Centers, Rice University  
 ResearchMatch: MIRA Idaho State University  
 ResearchMatch: MIRA Illinois Institute of Technology  
 ResearchMatch: MIRA Kettering Medical Center  
 ResearchMatch: MIRA Mount Carmel Health System  
 ResearchMatch: Philadelphia College of Osteopathic Medicine  
 ResearchMatch: Princeton University  
 ResearchMatch: Regents of the University of California  
 ResearchMatch: Rush University Medical Center  
 ResearchMatch: Stony Brook University  
 ResearchMatch: SUNY Optometry  
 ResearchMatch: Texas Heart Institute  
 ResearchMatch: The General Hospital Corporation D/B/A Massachusetts General Hospital  
 ResearchMatch: The Medical College of Wisconsin  
 ResearchMatch: The Salk Institute  
 ResearchMatch: Touro University, California  
 ResearchMatch: University of Alabama  
 ResearchMatch: University of Buffalo  
 ResearchMatch: University of Connecticut Health  
 ResearchMatch: University of Idaho  
 ResearchMatch: University of Illinois at Chicago  
 ResearchMatch: University of Kansas Medical Center  
 ResearchMatch: University of Southern California  
 ResearchMatch: WellSpan Health  
 Reverse VA/IPA: Reeves, Ruth M. (VUMC Grant Awarded to Matheny)  
 Reverse VA/IPA: Gobbel, Glenn T. (Vanderbilt Medical Center Grant--Matheny)  
 RICHARDS, WILLIAM/ACS BARIATRIC SURGERY CENTER PARTICIPATION AGREEMENT  
 RICKETT, TODD/ASISU TECHNOLOGIES  
 RIVER PARK HOSPITAL: PATIENT TRANSFER AGREEMENT  
 RIVERVIEW REGIONAL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 ROANE MEDICAL CENTER: PATIENT TRANSFER  
 ROSATO FRANK/ AMBULATORY CENTER OF COOL SPRINGS  
 Rothman, Russell/Baptist Clinical Research Institute, Inc./CMS331461  
 Rothman,Russell L. /University Of North Carolina At Chapel Hill/CDRN-1306-04869)  
 RUFFING, LEE ANN/SOUTHEASTERN REGIONAL PEDIATRIC DISASTER SURGE RESPONSE NETWORK  
 Russ, Stephan/National Park Service/EMS Agreement/SER-NATR  
 SAFE KIDS CUMBERLAND VALLEY: LEAD INSTITUTION AGREEMENT WITH SAFE KIDS USA  
 SAINT THOMAS HICKMAN HOSPITAL: PEDS PATIENT TRANSFER  
 SAINT THOMAS MIDTOWN HOSPITAL: PATIENT TRANSFER (TRANSPLANT) NEONATES & PEDS  
 Saint Thomas River Park Hospital: PEDS PATIENT TRANSFER(formerly River Park Hospital)

## Vanderbilt University Medical Center Contracts

### SALEM NURSING HOME: PATIENT TRANSFER

Sandberg, Warren/Tennessee Fertility Associates Anesthesia (PSA)  
 Savona, Michael / Bio-Reference Laboratories, Inc. / Astex Pharmaceuticals  
 Schaffner, William/Metropolitan Government and Nashville Davidson County  
 Scholer, Seth / State of TN DCS / Prevent Child Abuse Tennessee  
 Schwartz, David/Takeda Global Research & Development Center, Inc. (Consulting Agreement)  
 Seegmiller, Adam/AABB Center for Patient Safety/AABB Hemovigilance Module  
 Select Specialty Hospital: Patient Transfer Agreement  
 SELLARS FUNERAL HOME  
 Service Agreement: Nooner, Kevin/Live Nation Worldwide  
 Services Agreement: VUMC (Dermatology)/PCA Southeast of Columbia, Inc.  
 Services Agreement: West Meade Place, LLP  
 Session, Donna/Vivere Health Tennessee Holding/PSA  
 Shoemaker, Ashley /Jaeb Center for Health Research/  
 SHU, XIAO-OU/SHANGHAI CHANGNING DISTRICT HEALTH BUREAU/SHANGHAI CANCER INSTITUTE  
 SHU, XIAO-OU/SHANGHAI INSTITUTE OF PREVENTIVE MEDICINE  
 Signature Consulting Services: PATIENT TRANSFER AGREEMENT  
 Sika, Mohammed/ Merck Sharp & Dohme Corp.  
 SKYRIDGE MEDICAL CENTER (now Tenna Healthcare - Cleveland): PATIENT TRANSFER  
 SMART IRB Exchange Agreement: NYC School of Medicine  
 Smart IRB Exchange Portal Access Agreement: Medical University of South Carolina  
 Smart IRB Exchange Portal Access Agreement: Vanderbilt University Medical Center  
 Smart IRB Exchange: Baylor College of Medicine  
 SMART IRB Exchange: Duke University Health Systems  
 Smart IRB Exchange: Johns Hopkins University  
 SMART IRB Exchange: Regents of University of Michigan  
 Smart IRB Exchange: Tufts Medical Center, Inc.  
 SMART IRB Exchange: UCHHealth  
 Smart IRB: The Rockefeller University  
 Smart IRB: University of Arkansas System  
 Smart IRB: Wake Forest University Health Sciences  
 Smith County Schools: Marna Lere Hearing School  
 Smith, Barbara/Progress, Inc. (Employee Lease Agreement)  
 Smith, Melissa/American College of Surgeons National Trauma Data Bank (ACS NTDB)  
 Smith, Seth/Mereo Biopharma Group plc/Scanning Services Agreement  
 SOCIETY OF THORACIC SURGEONS: Congenital Heart Surgery Database  
 Soslow, Jonathan/Myocardial Solutions, Inc./Myostrain)  
 SOUTHERN HILLS MEDICAL CENTER: PEDS PATIENT TRANSFER  
 SOUTHERN TENNESSEE MEDICAL CENTER: PATIENT TRANSFER  
 SPINDLER, KURT/ALLTRAX TIMING  
 Spires, Steven/HEALTHSOUTH Corporation/Anti-Microbial Stewardship Consulting  
 Sports Medicine/Tennessee Secondary School Athletic Association  
 Sports Medicine: Lenoir-Rhyne University  
 Sports Medicine: St. Cecilia Academy  
 Sports Medicine: Walter, Kim/No Excuse Lacrosse  
 SPORTS MEDICINE:Nashville Pro-Am Basketball League  
 ST THOMAS STONES RIVER HOSPITAL: PEDS PATIENT TRANSFER  
 ST. MARY'S MEDICAL CENTER: BURN PATIENT TRANSFER  
 ST. MARY'S MEDICAL CENTER: PEDS PATIENT TRANSFER  
 ST. THOMAS CAMPUS SURGICARE, L.P.  
 St. Thomas DeKalb Hospital: PEDS PATIENT TRANSFER  
 ST. THOMAS HOSPITAL: PEDS PATIENT TRANSFER  
 St. Thomas of Rutherford County: PATIENT TRANSFER  
 ST. THOMAS SURGICARE: PEDS PATIENT TRANSFER  
 St. Thomas West Hospital: PATIENT TRANSFER  
 ST. THOMAS: BURN PATIENT TRANSFER AGREEMENT  
 STARR REGIONAL MEDICAL CENTER (formerly ATHENS REGIONAL MEDICAL CENTER): PATIENT TRANSFER  
 STATE OF TN: Gracey, Kathy/Men of Valor/State of Tennessee  
 STATE OF TN: Guttentag, Susan/State of Tennessee, Department of Health/Medical Director TIPQC  
 STATE OF TN: Juarez, Adam/Vanderbilt University/Tennessee Department of Education/33136-00516  
 STATE OF TN: McMillan, Elise/State of Tennessee, Department of Mental Health and Developmental Disabilities/Community Supports  
 Steaban, Robin /Society of Thoracic Surgeons (STS)and American College of Cardiology Foundation  
 Stead, William/Cox HMS, Inc./Master Collaboration Agreement  
 Stephan Raffanti/ Health Resources and Services Administration  
 Stephan Raffanti/ Health Resources and Services Administration  
 Stephen Raffanti/ Broward Community and Family Health Center, Inc.  
 Stephen Raffanti/ Health Resources and Services Administration  
 Stephen Raffanti/ Southeast Alabama Rural Health Associates  
 Stephens, Amie/Healthy Communities Institute  
 STERILIZATION SERVICE: VANDERBILT COOL SPRINGS / COOL SPRINGS SURGERY CENTER  
 Sterling, Timothy; The Aurum Institute; KNCV Tuberculosis Foundation  
 STONECREST MEDICAL CENTER: PEDIATRIC PATIENT TRANSFER  
 Stover, James/Population Bio, Inc (NashBio)  
 Sullivan, Jaron/Sumner Regional Medical Center  
 SUMMIT MEDICAL CENTER: PATIENT TRANSFER  
 SUMMIT MEDICAL CENTER: PEDS PATIENT TRANSFER  
 SUMNER DIALYSIS CENTER: TRANSPLANT  
 SUMNER REGIONAL DIALYSIS CENTER: MEDICAL DIRECTOR  
 SUMNER REGIONAL HEALTH SYSTEMS: PEDS PATIENT TRANSFER  
 Swygert, Kristin Archer/Neuropoint Alliance, Inc. (N2QOD)  
 T.J. SAMSON HOSPITAL: PATIENT TRANSFER

## Vanderbilt University Medical Center Contracts

TAKOMA REGIONAL HOSPITAL: PATIENT TRANSFER  
 TEIS: STATE OF TN /VANDERBILT  
 Tennessee Department of Health: Elastography Testing  
 TENNESSEE DISABILITY COALITION  
 TENNESSEE DONOR SERVICE: ORGAN DONOR  
 TENNESSEE HOSPITAL EDUCATION AND RESEARCH FOUNDATION;THA; TCPS INFECTION COLLABORATIVE  
 TENNESSEE KIDNEY CENTER OF HIGHWAY 58: DIALYSIS  
 TENNESSEE POISON CENTER: HARDIN MEDICAL CENTER  
 TENNESSEE POISON CENTER: MCKENZIE REGIONAL HOSPITAL  
 Tennessee Technological University/Internship in Child Life  
 TENNOVA HEALTHCARE - HARTON (Formerly HARTON REGIONAL MEDICAL CENTER): PEDS PATIENT TRANSFER  
 Tharpe, Anne/State of Tennessee/Dept. of Health (34347-51716)  
 THE BRENTWOOD BLAZE/ SPORTS MEDICINE PROGRAM  
 THE CHILDREN'S CLINIC, P.C. EKG (GRAHAM)  
 THE MEDICAL CENTER: PATIENT TRANSFER  
 THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY BOARD OF PUBLIC EDUCATION: H & S/Mama Lere Hearing School  
 THE MITRE CORPORATION/LIMITED USE LICENSE AGREEMENT  
 The University of Tennessee Medical Center, Knoxville, Tennessee/Pediatric Patient Transfer  
 Thompson, Ivana/Planned Parenthood/PSA  
 Thompson, Reld; Veterans Affairs (VA) Tennessee Valley Healthcare System  
 Thomsen, Isaac/SUNY Update Medical University Hospital, Downtown Campus  
 THREE RIVERS HOSPITAL: PEDS PATIENT TRANSFER  
 TN VALLEY DIALYSIS CENTER, LLC/KIDNEY TRANSPLANT AFFILIATION AGREEMENT  
 TN/DCS: GRACEY, KATHY / CHILD & ADOLESCENT NEEDS AND STRENGTHS  
 TN/DCS: WOODLAND HILLS PSYCHIATRY INDIVIDUAL& GROUP THERAPY  
 TN/E: CDC - TRIAD DOE AUTISM CONTRACT GR-02-14366 (JUAREZ)  
 TN/F&A: BUREAU OF TENNCARE - NURSING HOME (RAY)  
 TN/F&A: BUREAU OF TENNCARE - PERINATAL NEWBORN & OB/GYN  
 TN/H: CENTERS FOR DISEASE CONTROL AND PREVENTION - CHEMPACK  
 TN/H: GENETICS  
 TN/H: HEMOPHILIA GR-02-14109  
 TN/H: POISON PREVENTION: TENNESSEE POISON CENTER - (SEGER)(ARRA 2009)  
 TN/HS DIVISION OF REHABILITATION: VOCATIONAL REHABILITATION SERVICES  
 TN/HS- Patient and Family Engagement/Progress, Inc./DIDD  
 TN/HS: Patient and Family Engagement - Career Training & Employment Program - MOU  
 TN/MHSAS: FORENSIC & JUVENILE COURT SERVICE  
 TN/MHSAS: TENNESSEE INTEGRATED COURT SCREENING AND REFERRAL PROJECT  
 TN/MR: CLOVER BOTTOM - NEUROLOGY (CHARLES)  
 TOTAL RENAL CARE D/B/A GREER KIDNEY CENTER: TRANSPLANT  
 TOTAL RENAL CARE D/B/A UPSTATE DIALYSIS CENTER INC: TRANSPLANT  
 TRANS UNION: TRACE, RETRACT, AND IDSEARCH  
 Transfer Agreement: Hatch, Hurst/Baptist Memorial Healthcare Corporation  
 Transfer Agreement: Hatch, Hurst/Sumner Regional Medical Center  
 TREVECCA HEALTH CARE CENTER: OUTPATIENT DIALYSIS  
 TREVECCA HEALTH CARE CENTER: PATIENT TRANSFER AGREEMENT  
 TREVECCA HEALTHCARE CENTER: MEDICAL DIRECTOR  
 TRIAD: Juarez,Adam /Tennessee Department of Education/Family Education and Consultation Services, West TN  
 TRIAD: TEIS Direct Family Education Services  
 TRIGG COUNTY HOSPITAL: PATIENT TRANSFER  
 TriStar Horizon Medical Center: Patient Transfer Agreement  
 TriStar StoneCrest Medical Center: Patient Transfer Agreement  
 Tristar: Hendersonville Medical Center Patient Transfer Agreement  
 TROUSDALE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 UNION CITY DIALYSIS CENTER / RCG: TRANSPLANT  
 UNITED NEIGHBORHOOD HEALTH SERVICES / PROFESSIONAL SERVICES AGREEMENT  
 UNITED REGIONAL MEDICAL CENTER: PATIENT TRANSFER  
 UNIVERSITY MEDICAL CENTER - LEBANON: PEDS PATIENT TRANSFER  
 UNIVERSITY OF KENTUCKY / CHANDLER MEDICAL CENTER: PATIENT TRANSFER  
 UNIVERSITY OF TENNESSEE - MEMPHIS: STUDENT HEALTH SERVICES/PHARMACY STUDENT ROTATION  
 UNIVERSITY OF TENNESSEE MEDICAL CENTER AT KNOXVILLE: PATIENT TRANSFER  
 UNIVERSITY SCHOOL OF NASHVILLE: SPORTS MEDICINE SERVICES  
 Unni, Purnima/Maury Regional Hospital  
 UROLOGY SURGERY CENTER, LP: PATIENT TRANSFER  
 US AIR FORCE: Endourology Fellowship Program  
 UT MEDICAL CENTER AT KNOXVILLE: BURN PATIENT TRANSFER  
 VA IPA: BULUS, NADA  
 VA IPA: Lapierre, Lynne  
 VA/DAC,WALLACE, JEANNE  
 VA/PA SCHNELLE, JOHN  
 VA/PA: Chen, Chiu-Lan  
 VA/PA: Hunn, Justin  
 VA/PA: Moiseev, Daniel  
 VA/PA: Adams, Katherine  
 VA/PA: Afzal, Aqeela  
 VA/PA: ALLAMAN, MARGARET  
 VA/PA: AMIE STEPHENS  
 VA/PA: Anders, Shilo  
 VA/PA: Asim, Mohammad  
 VA/PA: Austin, Paula  
 VA/PA: Ayers, Dan  
 VA/PA: BARRY, DANIEL



## Vanderbilt University Medical Center Contracts

VA/IPA: Beck, Cole  
 VA/IPA: Beckerman, Thomas  
 VA/IPA: Beebe, Russell  
 VA/IPA: Beebe, Russell  
 VA/IPA: Booker-Mambungu, Cindy  
 VA/IPA: BORZA, CORINA  
 VA/IPA: Bruner-Tran, Kaylon  
 VA/IPA: Buford, Meagan  
 VA/IPA: Burns, William  
 VA/IPA: Byerly, Susan  
 VA/IPA: Byerly, Susan  
 VA/IPA: CAI, YING  
 VA/IPA: Cao, Aize  
 VA/IPA: Carboneau, Bethany  
 VA/IPA: Chen, Chiu-Lan  
 VA/IPA: Chol, Eunyoung  
 VA/IPA: Clagett, Adrienne  
 VA/IPA: DAI, CHUNHUA  
 VA/IPA: Davidoff, Olena  
 VA/IPA: Davls, Sarah  
 VA/IPA: Davison, Coda  
 VA/IPA: Denton, Jason  
 VA/IPA: Deppen Stephen  
 VA/IPA: Ding, Tianbing  
 VA/IPA: Dixon, Beverly  
 VA/IPA: Du, Liping  
 VA/IPA: Dunn, Jennifer  
 VA/IPA: Dupont, William  
 VA/IPA: Edwards, Todd  
 VA/IPA: Elias, Bertha  
 VA/IPA: Ellis, Charles  
 VA/IPA: FitzHenry, Fern  
 VA/IPA: Fox, Andrew  
 VA/IPA: Gardner, Hannah  
 VA/IPA: Goldstein, Anna  
 VA/IPA: Goleniewska, Allna  
 VA/IPA: GREEVY, ROBERT  
 VA/IPA: Greevy, Robert  
 VA/IPA: Gujar, Karuna  
 VA/IPA: Hackstadt, Amber  
 VA/IPA: Hanchrow, Elizabeth  
 VA/IPA: Hanchrow, Elizabeth  
 VA/IPA: Harrison, Fiona  
 VA/IPA: Hassan, Yuliy  
 VA/IPA: Hewa, Kushan  
 VA/IPA: Hoeksema, Megan  
 VA/IPA: Horvat, Andela  
 VA/IPA: Hu, Bo  
 VA/IPA: HWANG, YOONHA  
 VA/IPA: Jiang, Chun  
 VA/IPA: Keating, Cody  
 VA/IPA: King, McKenzie  
 VA/IPA: Kobayaski, Hanako  
 VA/IPA: Kozunda  
 VA/IPA: Kroh, Heather  
 VA/IPA: Kumar, Amrendra  
 VA/IPA: LOH, JOHN  
 VA/IPA: Longmire, Stephanie  
 VA/IPA: Luo, Wentian  
 VA/IPA: Merkel, Alyssa  
 VA/IPA: Minter, Freneka  
 VA/IPA: Pasek, Raymond  
 VA/IPA: Perkins, Amy  
 VA/IPA: Perkins, Amy  
 VA/IPA: Poffenberger, Greg  
 VA/IPA: Polosukhin, Vasily  
 VA/IPA: Polosukhina, Dina  
 VA/IPA: Porler, Paula R.  
 VA/IPA: Radhika, Aramandia  
 VA/IPA: Reale, Carrie  
 VA/IPA: Saraswati, Sarika  
 VA/IPA: Schofield, Bobbie  
 VA/IPA: Schofield, Bobbie  
 VA/IPA: Sheedio, Michael  
 VA/IPA: Sherrill, Taylor P.  
 VA/IPA: Shi, Qiong  
 VA/IPA: Simmons, Megan  
 VA/IPA: Slagle, Jason  
 VA/IPA: Slagle, Jason M  
 VA/IPA: Solus, Joseph  
 VA/IPA: SONG, WENQIANG

## Vanderbilt University Medical Center Contracts

VA/IPA: SU, YAN  
 VA/IPA: Taylor Chase  
 VA/IPA: Torstenson, Eric  
 VA/IPA: Veach, Ruth Ann  
 VA/IPA: Velez-Edwards, Digna  
 VA/IPA: Vincz, Andrew  
 VA/IPA: Vincz, Andrew  
 VA/IPA: Welch, Richard  
 VA/IPA: Welch, Richard  
 VA/IPA: Westerman, Dax  
 VA/IPA: Westerman, DAX  
 VA/IPA: Wharton, Jennifer  
 VA/IPA: Whitfield, Victoria  
 VA/IPA: Willam, Fellsha  
 VA/IPA: Williams, Pamela  
 VA/IPA: Wilson, Otis  
 VA/IPA: Wilson, Otis  
 VA/IPA: Wyatt, Dayna  
 VA/IPA: Wylezinski, Lukasz  
 VA/IPA: Yasmin, Sharla  
 VA/IPA: Zhang, Jian  
 VA/IPA: ZHOU, WEISONG  
 VA/IPA: Zhu, Lin  
 VA/IPA: Zou, Jing  
 VA/IPA: Zou, Yong  
 VA/IPA: Zuo, Zhao  
 VA/IPA: Zuo, Zhao  
 VA/Research Services for Tennessee Valley Healthcare System  
 VA: Anglo-Interventional Radiology  
 VA: AUTOPSY SERVICES AGREEMENT  
 VA: BONE MARROW TRANSPLANT  
 VA: Bone Marrow Transplant Lab Services  
 VA: CARDIOPULMONARY PERFUSIONIST  
 VA: EXCHANGE OF USE / REFERENCE LABORATORY TESTING SERVICES  
 VA: HEART TRANSPLANT SERVICES  
 VA: IPA  
 VA: IPA/BREYER, JOAN PETRO  
 VA: IPA/MCCLAINE, MARK S.  
 VA: IPA: Brissova, Marcella  
 VA: LIVER TRANSPLANT  
 VA: NEUROSURGICAL SERVICES  
 VA: OAWA PROTOCOL REVIEW CONTRACT  
 VA: PHOTOPHERESIS  
 VA:IPA/WANG, SUWAN  
 VA:TENNESSEE VALLEY HEALTHCARE SYSTEM/MEMORANDUM OF UNDERSTANDING  
 Vaezi, Michael / CDx Diagnostics, Inc.  
 VAN BUREN COUNTY SCHOOLS/THIRD PARTY AGREEMENT/Mama Lere Hearing School  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS / DELEK US HOLDINGS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : DOLLAR GENERAL CORPORATION  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : ENERGY DEVELOPMENTS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : HEALTH & FITNESS CONCEPTS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : METRO NASHVILLE AIRPORT AUTHORITY  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : RYMAN HOSPITALITY PROPERTIES  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : STAR MANUFACTURING  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : SUMITOMO ELECTRIC WIRING SYSTEMS  
 Vanderbilt Dayani Center, Health and Wellness : Universal Lighting Technologies  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : WHIRLPOOL  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS :DEACONESS HOSPITAL, D.B.A. DEACONESS LIFEQUEST WELLNESS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS :LifeWay  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS/SOUTHWESTERN COMMUNICATION INC.  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: A. O. SMITH CORPORATION  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: INGRAM BARGE COMPANY  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: Mon Valley Occupational Health  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: NEAL & HARWELL PLC  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: The General Council on Finance and Administration of the United Methodist Church, Inc.  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS:CORPORATE HEALTH PARTNERS INC  
 Vanderbilt Department of Anesthesiology: SAMBA Clinical Outcomes Registry Agreement  
 VANDERBILT DIALYSIS CLINIC/VUSM  
 VANDERBILT HEALTH PLUS: NURSES FOR NEWBORNS OF TENNESSEE  
 Vanderbilt Imaging Services, L.L.C., dba Vanderbilt Imaging Belle Meade  
 VANDERBILT IMAGING SERVICES, LLC D/B/A/ HILLSBORO IMAGING: PATIENT TRANSFER  
 Vanderbilt Imaging Services, LLC dba Belle Meade Imaging - Professional Services Agreement  
 VANDERBILT IMAGING SERVICES, LLC. DBA HILLSBORO IMAGING  
 Vanderbilt On-site Clinics Agreement: Metro government of Nashville and Davidson County  
 VANDERBILT STALLWORTH REHABILITATION HOSPITAL: PATIENT TRANSFER  
 Vanderbilt University: Child Life Internship  
 VBWC: WILLIAMSON COUNTY SCHOOLS  
 Vermund, Sten/University of Eduardo Mondlane  
 VGCC: PHYSICIAN SVCS  
 VHS: Information Services Agreement: New Light Imaging, LLC  
 VHS: Medical Director Agreement: Walgreens Infusion and Respiratory Services, LLC

## Vanderbilt University Medical Center Contracts

VHS: Amended and Restated Operating Agreement: One Hundred Oaks Imaging, LLC  
 VHS: Limited Partnership Agreement: Vanderbilt Stallworth Rehabilitation Hospital, L.P.  
 VHS: Management Agreement between: Opton Care Enterprises, Inc. and Walgreens Infusion and Respiratory Services, LLC  
 VHS: Management Agreement: Ambulatory Surgery Center of Cool Springs  
 VHS: Management Agreement: Vanderbilt Stallworth Rehabilitation Hospital, L.P.  
 VHS: Management Agreement: Vanderbilt-Gateway Cancer Center  
 VHS: Management Service Agreement: Spring Hill Imaging Center, LLC  
 VHS: Management Services Agreement: One Hundred Oaks Imaging/New Light Imaging  
 VHS: Management Services Agreement: One Hundred Oaks Imaging/New Light Imaging  
 VHS: Management Services Agreement: Vanderbilt - Maury Radiation Oncology, LLC  
 VHS: Management Services Agreement: Vanderbilt Health Affiliated Network, LLC  
 VHS: Management Services Agreement: Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC  
 VHS: Management Services Agreement: Vanderbilt Services Agreement/New Light Imaging  
 VHS: Management Services Agreement: VIP Midsouth, LLC  
 VHS: Management Services Agreement: Williamson Imaging, LLC/New Light Imaging, LLC  
 VHS: Management Services Agreement: Vanderbilt Imaging Services LLC  
 VHS: Operating Agreement: Ambulatory Surgery Center of Cool Springs, LLC  
 VHS: Operating Agreement: New Light Imaging, LLC  
 VHS: Operating Agreement: Spring Hill Imaging Center, LLC.  
 VHS: Operating Agreement: Vanderbilt Health Affiliated Network, LLC  
 VHS: Operating Agreement: Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC  
 VHS: Operating Agreement: Vanderbilt Imaging Services, LLC  
 VHS: Operating Agreement: Vanderbilt-Maury Radiation Oncology, LLC  
 VHS: Operating Agreement: VIP Midsouth, LLC  
 VHS: Operating Agreement: Walgreens Infusion and Respiratory Services, LLC  
 VHS: Operating Agreement: Williamson Imaging, LLC  
 VHS: Partnership Agreement: Vanderbilt-Gateway Cancer Center  
 VHS: Vanderbilt Health Services  
 VICC: Johnson, Douglas (MEL 1486) / Qualtek Molecular Laboratories / Merck Research Laboratories  
 VICC: Jagasia, Madan (BMT 1651)/Adaptive Biotechnologies Corporation/Janssen Pharmaceuticals, Inc.  
 VICC: NEPD: Horn, Leora /Biocept, Inc./National Comprehensive Cancer Network Foundation/Boehringer-Ingelheim Pharmaceutical  
 VICC: OnLive Strategic Alliance  
 VICC: THO1595-Horn, Leora/Bristol-Myers Squibb Company  
 VICCAF: WILLIAMSON MEDICAL CENTER: PATIENT TRANSFER AGREEMENT  
 Vickers, Kasey/University of Cincinnati/RNA sequencing Services  
 VICTR:Joosten,Yvonne /Workers' Dignity Project  
 VMG: EMDEON CORPORATION  
 VMG: KIWI-TEK  
 VOE /University Heights Academy, Observational Experience  
 VOE/Donoho School/Observational Experience  
 VOE/E.B. Wilson Virtual High School (Sumner Count School District)/Observational Experience  
 VOE/Franklin Christian Academy/Observational Experience  
 VOE/Helena High School/Observational Experience  
 VOE/Holland Hall School/Observational Experience  
 VOE/HomeLife Academy/Observational Experience  
 VOE/Lebanon High School, Observational Experience  
 VOLUNTEER COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 VPLS Lab Services - Peters, Thomas/Lake Cumberland Regional Hospital  
 VPLS Lab Services/Cumberland Medical Center  
 VPLS Lab Services/Jackson-Madison County Hospital District  
 VPLS Lab Services: Coliseum Medical Centers  
 VPLS Lab Services: Peters, Thomas/Mountain States Health Alliance  
 VPLS Lab Services: Peters, Thomas/Tennova Healthcare Clarksville  
 VPLS Lab Services: Sumner Regional Medical Center  
 VPLS Lab Services:/Centennial Surgery Center  
 VSRH: Neuropsychology Services  
 VSRH: Patient Information Access  
 VSRH: Residency Affiliation - Psychiatry  
 VSRH: Residency Affiliation - Psychosomatic Medicine  
 VSRH: AGREEMENT FOR AUTOPSY SERVICES  
 VSRH: ANCILLARY SERVICES AGREEMENT FOR PATHOLOGY DIAGNOSTIC AND THERAPY SERVICES  
 VSRH: ANCILLARY SERVICES AGREEMENT FOR RADIOLOGY AND RADIOLOGICAL SERVICES  
 VSRH: Ancillary Services Agreement for Radiology Staffing  
 VSRH: Dialysis Services Program Director Agreement  
 VSRH: LINEN/LAUNDRY SERVICE  
 VSRH: Medical Director Agreement/Physical Medicine and Rehabilitation  
 VSRH: Otolaryngology and Communication Services  
 VSRH: PARKING AGREEMENT  
 VSRH: PHARMACY  
 VSRH: Post-Acute Care Agreement  
 VSRH: Program Director Agreement - Brain Injury program  
 VSRH: Spinal Cord Program Director Agreement - PHYSICAL MEDICINE AND REHAB  
 VSRH: STALLWORTH GLOBAL BUSINESS ASSOCIATE AGREEMENT  
 VSRH: Stroke Program Director Agreement - PM & R  
 VSRH: VANDERBILT HEMODIALYSIS CLINIC  
 VUH: Q-SOURCE  
 VUMC: Aviation Properties LLC  
 VUMC: CLARKSVILLE-MONTGOMERY COUNTY REGIONAL AIRPORT (CAMB, LLC)  
 VUMC: ENABLECOMP  
 VUMC: NATIONAL DISASTER MEDICAL SYSTEM  
 VUSN ESA November 2016 and beyond

## Vanderbilt University Medical Center Contracts

Wallace, Michael/TM Thunder, LLC  
 Wallace, Michael/Vanderbilt Stallworth Rehabilitation Hospital, LP/Patient Transfer Agreement  
 Walter, Kim/Adrenaline Lacrosse/Sports Medicine  
 Walter, Kim/Football University, LLC.  
 Walter, Kim/Inter Nashville FC/Trainer Services  
 Walter, Kim/Lacrosse America  
 Walter, Kim/Lead Academy/Sports Medicine  
 Walter, Kim/Nashville Predators/Ice Hockey School AT  
 Walter, Kim/Nolensville Recreation Center, Inc. Nolensville Football  
 Walter, Kim/Tennessee Soccer Club  
 Walter, Kim; Vanderbilt Sports Medicine; Vanderbilt Recreation Center  
 Walters, Kim/The Franklin Cowboys  
 Wang, Thomas /Boston University  
 Wang, Thomas/University of Minnesota  
 Warren, Melissa/Trevecca Health Care Center  
 Warren, Zachary/State of Tennessee/Department of Children's Services  
 WAYNE COUNTY SCHOOL SYSTEM/THIRD PARTY SERVICE AGREEMENT/Mama Lere Hearing School  
 WAYNE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 Webber, Steven/Williamson County Medical Center  
 Webber, Steven/Williamson Medical Center  
 Weller, Kevin/ Research Core/StemSynergy Therapeutics, Inc  
 WELLMONT BRISTOL REGIONAL MEDICAL CENTER: PATIENT TRANSFER  
 WELLMONT HEALTH SYSTEM WHICH OPERATES HOLSTON VALLEY MED CTR  
 WEST MEADE PLACE: PATIENT TRANSFER  
 West Tennessee Healthcare: PATIENT TRANSFER AGREEMENT  
 Wester, C. William/Chemonics International, Inc/ Teaming Agreement  
 Wester, William/Chemonics International, Inc.  
 Wiesner, Georgia/ Colon Cancer Alliance  
 Wilkins, Consuelo/Meharry Medical College  
 Williams, Christopher / Nashville in Harmony  
 Williams, Christopher/CAT Financial/Annual Meeting  
 Williams, Christopher/Langford Rental/Flt Life Productions, LLC  
 Williams, Christopher/TN Bodybuilders Competition - Langford Rental  
 WILLIAMS, PHILLIP/ETHICON ENDO-SURGERY, INC SERVICE AGREEMENT  
 Williamson Co. Medical Center (Pediatric EKG/ECHO Interpretations)  
 Williamson County Dialysis Center, Davita: Medical Director  
 WILLIAMSON COUNTY MEDICAL CENTER: PATIENT TRANSFER AGREEMENT  
 WILLIAMSON COUNTY PUBLIC SCHOOLS: ATHLETIC TRAINER  
 WILLIAMSON IMAGING D/B/A COOL SPRINGS IMAGING (CSI)  
 WILLIAMSON IMAGING, LLC D/B/A/ COOL SPRINGS IMAGING: PATIENT TRANSFER  
 Wilson County School System/Sports Medicine  
 WINDSOR HOUSE: OUTPATIENT DIALYSIS  
 Wolever, Ruth/International Consortium for Health and Wellness Coaching/National Board of Medical Examiners/HWC approval process  
 Woods, Walter/Intercon Associates Inc  
 Yenamandra, Aswani/Chattanooga-Hamilton County Hospital Authority/Medical Director Coverage-Cytogenetics Laboratory  
 Zavala, Edward/Kidney Center of Missionary Ridge  
 ZAVALA,EDWARD/ALLIANCE FOR PAIRED DONATION COOPERATIVE AGREEMENT  
 ZAVALA,EDWARD/ALLIANCE FOR PAIRED DONATION INC.; MOU and BAA  
 Zheng, Wei/Duke University/Shanghai Women's Health Study Letter Agreement  
 Zheng, Wei/University of Cambridge

Attachment B. Contribution to the  
Orderly Development of  
Healthcare.4A

Licensure & Accreditation

# Board for Licensing Health Care Facilities

State of Tennessee



0000000027

No. of Beds 1029

## DEPARTMENT OF HEALTH

*This is to certify, that a license is hereby granted by the State Department of Health to*

VANDERBILT UNIVERSITY MEDICAL CENTER

*to conduct and maintain a*

*Hospital*

VANDERBILT UNIVERSITY MEDICAL CENTER

*Located at*

1211 MEDICAL CENTER DRIVE, NASHVILLE

*County of*

DAVIDSON

, Tennessee.

*This license shall expire*

APRIL 29

, 2018, and is subject

*to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

*In Witness Whereof, we have hereunto set our hand and seal of the State this 5TH day of APRIL, 2017.*

GENERAL HOSPITAL  
PEDIATRIC CPSC HOSPITAL  
TRAUMA CENTER LEVEL 1



DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

*James J. Davis, M.D.*

*John J. Davis*  
COMMISSIONER

# Vanderbilt University

Nashville, TN

has been Accredited by



## The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the  
Hospital Accreditation Program

July 25, 2015

Accreditation is customarily valid for up to 36 months.

*Rebecca J. Patchin, MD*

Rebecca J. Patchin, MD  
Chair, Board of Commissioners

ID #7892

Print/Reprint Date: 10/02/2015

*Mark R. Chassin, MD, FACP, MPP, MPH*

Mark R. Chassin, MD, FACP, MPP, MPH  
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at [www.jointcommission.org](http://www.jointcommission.org).



**Attachment B. Contribution to the  
Orderly Development of  
Healthcare.4B**

**Licensure Certification &  
Plan of Correction**



**Vanderbilt University**

Organization ID: 7892

1161 22nd Avenue Nashville, TN 37232-2101

Accreditation Activity - 45-day Evidence of Standards Compliance Form

Due Date: 9/13/2015

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HAP      Standard EC.02.03.01      The hospital manages fire risks.

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**Findings:**      EP 1 §482.41(b) - (A-0709) - §482.41(b) Standard: Life Safety from Fire The hospital must ensure that the life safety from fire requirements are met. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VUH above ceiling there was an open junction box adjacent to room 11001. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the cylinder storage / manifold room had non-flammable gases stored in a quantity greater than 3000 cubic feet. The electric light switch located inside the room was less than five feet above the finished floor level. Corrected on site.

**Elements of Performance:**

1. The hospital minimizes the potential for harm from fire, smoke, and other products of combustion.

Scoring Category:              C

**Corrective Action Taken:**

WHO: Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

OPEN JUNCTION BOX - The issue with the open junction box adjacent to room 11001 was corrected when the surveyor was on site. COMPRESSED GAS STORAGE – 1. The electrical switch in VUH cylinder

storage room B306 was corrected when the surveyor was on site. 2. The following language has been added to the organizational policy (SA 10-10.09) regarding storage, use, and management of compressed gas: "Indoor rooms used for storage of greater than 3,000 cubic feet of compressed gas: iii. are built such that electrical devices are physically protected, either by use of a protective barrier around the electrical devices, or by location of the electrical device that prevents physical damage to the cylinder or containers. For example, the device is located at or above 5 feet above finished floor or other location that does not allow the possibility of the cylinders or containers to come into contact with the electrical device." VUMC Safety policy, SA 10-10.09, was reviewed and approved by the VUMC Safety Committee and the Executive Policy Committee.

**WHEN:**

The open junction box adjacent to Room 11001 was corrected on 7/24/2015 when the surveyor was on site. All additional areas with recent above ceiling work were checked for open junction boxes and deficiencies were corrected by 8/21/2015. The electrical switch in VUH cylinder storage room, B306, was corrected on 7/23/2015. All electric light switches in additional compressed gas storage stored in a quantity greater than 3000 cubic feet deficiencies were corrected by 8/21/2015. VUMC Safety Policy SA 10-10.09 was approved on 9/4/2015.

**HOW:**

**OPEN JUNCTION BOX** – All additional areas with recent above ceiling work were checked for open junction boxes and deficiencies were corrected. Random checks are performed by Plant Services Carpentry Shop, at least monthly, throughout the facility to verify above ceiling work close out inspections are being performed properly. These checks include verification that all junction boxes are closed. When deficiencies are noted, a root cause investigation is performed to determine corrective actions to prevent further reoccurrences. **COMPRESSED GAS** - All additional electric light switches in compressed gas storage stored in a quantity greater than 3000 cubic feet were surveyed and all deficiencies were corrected. Representatives from Vanderbilt Environmental Health and Safety (VEHS) conduct monthly environment of care rounds throughout the organization to include these storage areas. Reviews of these storage areas include the required parameters of signage, security, electrical safety, and cleanliness. Results are reported to the Safety Committee. When deficiencies are noted, a root cause investigation is performed to determine corrective actions to prevent further reoccurrences.

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HAP      Standard EC.02.04.03      The hospital inspects, tests, and maintains medical equipment.

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**Findings:** EP 2 5482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Observed on the CCT10 Unit, a transport Defibrillator with a time displayed at 0941 hours that was behind/incorrect by 1 hour. Defibrillator time was corrected during the survey. Observed in Tracer Activities at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. During a tour of the Cardiac Catheterization lab, the time on a transport defibrillator was off by one hour. Subsequent to the surveyor visit, all defibrillators were checked by staff to ensure times coincided with the official time utilized in the area.

**Elements of Performance:**

2. The hospital inspects, tests, and maintains all high-risk equipment. These activities are documented. (See also EC.02.04.01, EPs 3 and 4; PC.02.01.11, EP 2) Note: High-risk medical equipment includes life-support equipment.

**Scoring Category:** A

**Corrective Action Taken:**

**WHO:** Director, Clinical Engineering

**WHAT:**

The date and time on the transport defibrillators in the CCT10 unit and Cardiac Catheterization lab were corrected during the survey. Clinical Engineering has revised the Preventive Maintenance (PM) frequency in the Computer Maintenance Management System (CMMS) on all defibrillators to coincide with Daylight Saving Time start/end. This will occur in March and November each year. The Resuscitation Committee approved the addition of date/time checks on the clinical staff's daily defibrillator checklist for the crash carts. The desk phone is used as the official time. If the time or date is found to be incorrect a call will be placed to Clinical Engineering.

**WHEN:**

The date and time on the Transport defibrillators in the CCT10 unit and Cardiac Catheterization lab were corrected on 7/23/2015. All other defibrillators were checked and if incorrect were corrected on 7/31/2015. The update to the CMMS was completed by 8/31/2015. Defibrillator checklist for the crash carts was updated 8/18/2015.

#### HOW:

Defibrillators throughout the organization were checked for the correct date and time and deficiencies were corrected upon discovery. Per Vanderbilt Medical Equipment Management Plan, Clinical Engineering documents in the CMMS all service associated with high risk equipment (including life support). Preventive Maintenance is part of the documentation. All high risk equipment under the Medical Equipment Management Plan are required to have a Preventive Maintenance completion rate of 100% within the month of the work order issuance (March/November for Defibrillators). Preventive Maintenance completion rates are reported through the Environment of Care (EOC) committee. During EOC rounds the surveyor checks the daily checklist for correct date/time on defibrillators in the department being surveyed. A call is placed to Clinical Engineering for immediate correction on any defibrillator found to have an incorrect date/time.

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HAP      Standard   EC.02.05.01      The hospital manages risks associated with its utility systems.

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**Findings:**      EP 15 §482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control This Condition is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site for the Hospital deemed service. During a tracer of the sterile processing department, the decontamination room had a positive pressure and the clean room had a negative pressure. This was corrected during survey and confirmed by the surveyor.

#### Elements of Performance:

15. In areas designed to control airborne contaminants (such as biological agents, gases, fumes, dust), the ventilation system provides appropriate pressure relationships, air-exchange rates, and filtration efficiencies. (See also EC.02.06.01, EP 13) Note: Areas designed for control of airborne contaminants include spaces such as operating rooms, special procedure rooms, delivery rooms for patients diagnosed with or suspected of having airborne communicable diseases (for example, pulmonary or laryngeal tuberculosis), patients in 'protective environment' rooms (for example, those receiving bone marrow transplants), laboratories, pharmacies, and sterile supply rooms. For further information, see Guidelines for Design and Construction of Health Care Facilities, 2010 edition, administered by the Facility Guidelines Institute and published by the American Society for Healthcare Engineering (ASHE).

Scoring Category: A

Corrective Action Taken:

WHO: Assistant Vice Chancellor, Facilities and Construction

WHAT:

During Vanderbilt's 2015 triennial survey, the sterilization/decontamination areas at One Hundred Oaks had deficient pressurization when evaluated by one of the surveyors. The root cause of the problem was a failure of the variable speed frequency drive unit for the exhaust fan serving this area. The issue was corrected during the survey by replacement of the computer driver card.

WHEN:

This issue was discovered during survey on 7/21/2015 and the computer driver card was replaced on 7/22/2015. Operational status alarm features were enabled on 8/19/2015.

HOW:

To ensure prompt response in addressing future ventilation events, throughout the One Hundred Oaks facility, operational status alarm features were enabled for this fan and for any other fans serving areas where pressure relationships are required to be maintained. These features were enabled on 8/19/2015. If the operational status alarm goes off in the Delta Center for the fan in the decontamination room and the clean room at One Hundred Oaks (OHO), a call will be made to the Manager of Quality Control for Sterile Processing. At that point, operations at the OHO location will cease until appropriate pressures are restored. Weekly pressure checks are performed and logged by a member of the Heat/Air/Refrigeration (HAR) Shop to verify required pressure is maintained. Responsible HAR staff use smoke generation equipment to check the applicable areas for correct pressurization. If problems are encountered, staff convey the information to the applicable site manager, initiate a 'trouble call' and complete a 'Non-Compliant Pressure Room Report'. The trouble call is submitted to Plant Services for evaluation and repair.

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HAP      Standard IC.02.02.01

The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.

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Findings: EP 2 §482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Reviewed, in the Ultrasound/Radiology Department, the cleaning process for transvaginal probes with Cidex OPA. During an interview with two staff members, discussed the quality control process to test newly opened Cidex OPA test strips. Both staff indicated that they tested a newly opened bottle by testing one strip in full-strength solution. The manufacturer's recommendation is to test 3 + and 3 – control strips with a full concentration and diluted concentration of Cidex OPA solution. Staff were re-trained, signage to guide staff was posted and auditing began during survey. Organization is currently in compliance. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. During a tracer in the PCICU & PICU the staff stated that soiled instruments including surgical trays were sent to Central Sterile Processing in biohazard bags on a cart. Soiled items were not kept moist in transport containers with a moist towel or sprayed with an enzymatic foam as recommended by the AAMI Standards in regards to the transportation of soiled instruments. This was confirmed by the Unit Manager. EP 4 §482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. During tracer activity in the GI Endoscopy Lab a specialty scope was noted to be stored in a cabinet of insufficient height to allow the scope to hang freely in a vertical position without touching the bottom of the cabinet. Staff had looped the scope in such a manner to prevent the scope from touching the bottom of the cabinet. Best practice in AAMI standards require that scopes not be looped while in storage. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. During tracer activity in the VCH Endoscopy Suite an adult endoscopy scope was noted to be stored in a cabinet of insufficient height to allow the scope to hang freely in a vertical position without touching the bottom of the cabinet. Staff had looped the scope in such a manner to prevent the scope from touching the bottom of the cabinet. Best practice and AAMI standards require that scopes not be looped while in storage. This was corrected and verified during the survey. Observed in Individual Tracer at Vanderbilt University Medical Center (1301 Medical Center Drive, Nashville, TN) site for the Hospital deemed service. During tracer activity in the VUH endoscopy disinfection processing area of the OR, an endoscope was noted to be stored in such a manner to allow the tubing to touch the bottom of the cabinet. Best practice and AAMI standards require that scopes hang freely in a vertical position without touching the bottom of the cabinet. This was immediately corrected and verified during the survey. Observed in Individual Tracer at Vanderbilt University Medical Center (1215 21st Ave. South, Nashville, TN) site for the Hospital deemed service. During a tracer activity in the Cardiac Intervention unit, TEE probes were hanging in a storage cabinet. The probes, which had been cleaned to a high level of disinfection, were touching the sides of the cabinet in several places. Observed in Building

Tour at Vanderbilt University Medical Center (1215 21st Ave. South, Nashville, TN) site for the Hospital deemed service. During a tour of the ENT clinic, several scopes were high level disinfected. The scopes were hanging in a cabinet. Each scope was suspended in plastic tubes. Several of the scopes were touching the inside of the tubes which were not cleaned between use.

**Elements of Performance:**

2. The hospital implements infection prevention and control activities when doing the following: Performing intermediate and high-level disinfection and sterilization of medical equipment, devices, and supplies. \* (See also EC.02.04.03, EP 4) Note: Sterilization is used for items such as implants and surgical instruments. High-level disinfection may also be used if sterilization is not possible, as is the case with flexible endoscopes. Footnote \*: For further information regarding performing intermediate and high-level disinfection of medical equipment, devices, and supplies, refer to the website of the Centers for Disease Control and Prevention (CDC) at [http://www.cdc.gov/hicpac/Disinfection\\_Sterilization/acknowledg.html](http://www.cdc.gov/hicpac/Disinfection_Sterilization/acknowledg.html) (Sterilization and Disinfection in Healthcare Settings).

Scoring Category: A

**Corrective Action Taken:**

WHO: Director of Infection Prevention

**WHAT:**

Ultrasound/Radiology Department: The Testing and Use of Cidex OPA® 0.55% Orthophthalaldehyde High-Level Disinfectant IC 10-10.08 policy was developed by the Director of Infection Control and Prevention. The policy was endorsed by the Infection Control and Prevention Executive Committee, the Clinical Practice Committee and the Medical Center Medical Board. The Quality control procedure for Cidex OPA is addressed in the policy in the following manner: "3. Testing Procedure Following the directions for use on the bottle of test strips: a. Submerge three test strips in each of the above freshly prepared solutions for three seconds each. b. Remove. c. The three test strips dipped into the full-strength positive control should exhibit a complete color change on the indicator pad at 90 seconds for ortho-phthalaldehyde(Cidex OPA®). The three strips dipped into the diluted negative control either should remain unchanged or exhibit an incomplete color change when read at 90 seconds, depending on the product. Refer to the color chart on the test strip bottle. Record results on the log. d. Testing frequency: Do the QC test on each freshly opened bottle of test strips. e. Unsatisfactory QC Test Results: If the QC test indicates that the test strips are not functioning properly, stop using the test strips, and open another bottle of test strips (repeat QC test.)" Non-compliant staff was re-educated on the day of the survey. Re-educated staff in the Ultrasound/Radiology Department who are using Cidex

OPA regarding the Cidex OPA Test Strip testing in the Cidex OPA policy by electronic communication. PCICU & PICU: The Standard Operating Procedure for pre-cleaning soiled devices and instruments was developed and endorsed by Infection Control. Enzyme spray was added to carts and utility rooms in both areas. The pre-cleaning of soiled devices and instruments using enzymatic cleaner is addressed in the SOP in the following manner: "II. General Information: A. The pre-cleaning of soiled devices or instruments should begin in the point of use to prevent drying of blood, soil and debris on the surface, crevices, and within lumens. B. Enzymes enhance detergent cleaning for medical use by breaking down proteins and other substances found in blood and other gross soil that cannot be easily removed with solutions containing just detergents, surfactants, and water. D. Use enzymatic spray, gel, or solution according to manufacturing recommendations." Staff sending devices and instruments to Central Sterile Processing were educated to the pre-cleaning devices and instruments standard operating procedure by electronic communication.

**WHEN:**

Ultrasound/Radiology Department: The Testing and Use of Cidex OPA® 0.55% Orthophthalaldehyde High-Level Disinfectant IC 10-10.08 policy was approved and effective since August 2012. Re-education was sent via electronic communication on 8/31/2015. PCICU & PICU: Enzyme spray was added to the areas on the day of the survey. The Standard Operating Procedure for pre-cleaning soiled devices and instruments was developed and endorsed by Infection Control on 8/28/2015. Re-education for both areas was sent via electronic communication on 8/31/2015.

**HOW:**

Ultrasound/Radiology Department: Random observation by managers in Ultrasound/Radiology areas using Cidex OPA for compliance to policy. Non-compliance will be addressed by leadership. PCICU & PICU: Random observation by managers in PCICU & PICU areas that perform pre-cleaning of soiled instruments and devices for compliance of standard operating procedure. Non-compliance will be addressed by leadership. Central Sterile Processing will monitor the pre-cleaning of devices or instruments that are reprocessed in Central Sterile Processing. Non-compliance will be addressed by the non-compliant area's leadership.

4. The hospital implements infection prevention and control activities when doing the following: Storing medical equipment, devices, and supplies.

Scoring Category: C

Corrective Action Taken:

WHO: Director of Infection Prevention



**WHAT:**

The Device Reprocessing IC 10-10.27 online policy was developed by a multidisciplinary task force led by the hospital epidemiologist. The purpose of the task force was to ensure a standardized institution-wide program for reprocessing endoscopes (through either sterilization or high-level disinfection [HLD], as indicated) as well as HLD of other devices (e.g. vaginal ultrasound probes, transesophageal echocardiogram probes) in accordance with recommended guidelines and national standards. The procedure for storing scopes and reprocessed devices is addressed in the policy in the following manner: "B. Device Storage 1. Flexible channeled endoscopes are stored in a vertical position in clean cabinets that provide protection from contamination and damage. Labels indicating reprocessing date are placed on each flexible endoscope device. 2. Other reprocessed devices are stored in a clean environment to prevent re-contamination." Re-educated staff in all areas that store scopes to the Device Reprocessing Policy section B. 1&2 through electronic communication by Infection Control.

**WHEN:**

The Device Reprocessing IC 10-10.27 policy was approved and effective July 2014. Re-education to Device Reprocessing policy section B.1&2 was sent via electronic communication on 8/31/2015.

**HOW:**

Infection Preventionists and Quality Consultants will perform monthly observations of all scopes storage areas to assess ongoing compliance. Any non-compliance observed will be addressed at the time of discovery with the area personnel.

Evaluation Method: Measure compliance to Device Reprocessing policy in all scope storage areas each month for 4 consecutive months. Numerator = # of scopes areas with appropriately stored scopes. Denominator = Total number of scopes areas observed. Compliance will be reported monthly to the Infection Prevention Regulatory Committee.

Measure of Success Goal (%): 90

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HAP Standard LS.02.01.20 The hospital maintains the integrity of the means of egress.

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Findings: EP 8 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance

with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

[http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the path to the public way was obstructed by sand bags located within ten feet of the MRI emergency exit.

Corrected on site. EP 13 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

[http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The exit corridor in the basement of the Children's Hospital at stair five is cluttered with numerous items of stored medical equipment. The storage has reduced the width of the corridor to less than eight feet. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The exit corridor in the basement of the Children's Hospital at stair five is cluttered with numerous items of stored equipment and other miscellaneous items. The storage has reduced the width of the corridor to less than eight feet. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VUH at the ten north trauma unit there were two linen storage carts stored in the corridor that reduced the corridor width to less than eight feet.

Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VUH at the cath lab the south corridor (5300G) width was reduced to less than eight feet due to the storage of four cabinets. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the corridors in the emergency department were reduced to less than eight feet width due to the storage of

stretchers that were not in use.

**Elements of Performance:**

8. Exits discharge to the outside at grade level or through an approved exit passageway that is continuous and terminates at a public way or at an exterior exit discharge. (For full text and any exceptions, refer to NFPA 101-2000: 7.2.6 and 7.7)

**Scoring Category:** A

**Corrective Action Taken:**

**WHO:** Assistant Director, Vanderbilt Environmental Health and Safety (VEHS)

**WHAT:**

1. The sand bags located within the public way were removed during the on-site survey. 2. Plant Services management reviewed flood mitigation procedures with their staff, particularly post event clean-up including use of sand bags.

**WHEN:**

The sandbags were removed to correct this deficiency during the on-site survey on 7/23/2015. Plant Services staff reviewed flood mitigation procedures on 8/3/2015.

**HOW:**

Members of the EOC Survey Team will perform monthly environment of care rounds throughout the organization including external exits to assess on-going compliance. When there is any emergency incident that does or could alter external exits, one of the post-event follow-up activities will include an assessment of the external exits by VEHS/Plant Services. The post-event assessment is performed by the VEHS team and is part of the EOC process. Any problems are immediately reported to Vanderbilt Environmental Health and Safety and / or Plant Services by submitting a work order is submitted to Plant Services for removal of sandbags or other items impeding egress.

13. Exits, exit accesses, and exit discharges are clear of obstructions or impediments to the public way, such as clutter (for example, equipment, carts, furniture), construction material, and snow and ice. (For full text and any exceptions, refer to NFPA 101-2000: 7.1.10.1)

Scoring Category: C

Corrective Action Taken:

WHO: Assistant Director, Vanderbilt Environmental Health and Safety (VEHS)

WHAT:

A. Individual findings were addressed during the Joint Commission Survey. 1. Medical equipment was removed from the exit corridor basement of Children's Hospital at stair five; 2. Medical equipment and miscellaneous stored items were removed from the exit corridor basement of Children's Hospital at stair five; 3. Linen carts were removed from the 10 N Trauma unit in VUH; 4. The cabinets were removed from the south corridor (5300G) of the VUH Cath Lab; 5. Excess stretchers were removed from VUH Emergency Department corridor. B. Review of policy/departmental responsibilities for Support Services: VUMC policy SA 50-10.02, Equipment and Materials in VUMC Corridors was reviewed via conference call by the Assistant Director of VEHS with leaders from Environmental Services, Linen Services, and Supply Chain/Materials Management to strategize on how the Support Services departments can assist with keeping corridors uncluttered. C. Re-education about corridor clutter (VUMC policy SA 50-10.02 Equipment and Materials in VUMC Corridors) was sent to all nursing and clinic managers via electronic communication by the VEHS Assistant Director.

WHEN:

A. Medical equipment was removed from exit corridor basement of Children's Hospital on 7/22/2015; medical equipment and miscellaneous items were removed from exit corridor basement of Children's Hospital on 7/22/2015; Linen carts were removed from VUH 10N Trauma unit on 7/22/2015; Cabinets were removed from the south corridor (5300G) of the VUH Cath Lab on 7/22/2015; and Excess stretchers were removed from the VUH Emergency Department corridors on 7/22/2015. B. Conference call review of policy/departmental responsibilities on 8/18/2015 with Support Services leaders. C. Nursing and clinical managers were re-educated on 9/1/2015 about VUMC policy SA 50-10.02 Equipment and Materials in VUMC Corridors via electronic communication distributed by the Assistant Director of VEHS.

HOW:

Monthly environment of care rounds are performed throughout the organization by members EOC Survey Team to assess on-going compliance with egress requirements. Areas will receive immediate feedback during the survey about compliance status. Quarterly summary reports regarding institutional compliance are provided to organizational leadership.

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HAP     Standard MM.05.01.07   The hospital safely prepares medications.

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**Findings:**     EP 1 §482.23(c) - (A-0405) - (c) Standard: Preparation and administration of drugs. This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Vanderbilt University Medical Center (1500 21st Ave. South, Nashville, TN) site for the Hospital deemed service. The staff RN in the dialysis unit prepared all IV medications in a small medication room. Medications that were not emergency preparations were prepared by the dialysis RN. Vancomycin, for example, was mixed in the room by an RN without a laminar flow hood. The process was to reconstitute the Vancomycin and inject it in an IV mini bag for infusion. §482.25(b)(1) - (A-0501) - (1) All compounding, packaging, and dispensing of drugs and biologicals must be under the supervision of a pharmacist and performed consistent with State and Federal laws. This Standard is NOT MET as evidenced by: Observed in Building Tour at Hemodialysis Clinic East (20 Rachel Drive, Nashville, TN) site for the Hospital deemed service. During a review of IV medication practices in the outpatient dialysis center, several doses of antibiotic were available in the medication room. The IV medications, such as vancomycin, ceftriaxone, and other antibiotics were mixed by the RNs in the medication room without a laminar flow hood.

Elements of Performance:

1. A pharmacist, or pharmacy staff under the supervision of a pharmacist, compounds or admixes all compounded sterile preparations except in urgent situations in which a delay could harm the patient or when the product's stability is short.

Scoring Category:     A

Corrective Action Taken:

WHO: Accreditation and Regulatory Administrator

WHAT:

Pharmacy, nursing, and medical staff leadership reviewed the medications prepared in non-urgent situations in the Village at Vanderbilt Dialysis Clinic and Vanderbilt Dialysis East Clinic and identified premixed or point-of-care activated options (e.g. ADD-Vantage®). This will eliminate mixing medications by RN's in the Dialysis Clinic without a laminar flow hood. Staff in-services were held to educate Dialysis clinic staff on the proper use of the point-of-care activated products selected.

**WHEN:**

Staff in-services were completed by 8/24/2015. The two clinics converted to the use of the identified premixed or point-of-care activated products by 8/25/2015.

**HOW:**

Ongoing assessment of compliance in the specified Dialysis Clinics will be accomplished via staff observations interviews during monthly MEDS Surveys and every 6 month Environment of Care Surveys. Any occurrence of non-compliance will be reported to clinic and pharmacy leadership.

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| HAP | Standard PC.02.01.03 | The hospital provides care, treatment, and services as ordered or prescribed, and in accordance with law and regulation. |
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**Findings:** EP 7 Observed in Individual Tracer at Vanderbilt University Medical Center (1601 23rd Ave. South, Nashville, TN) site. Observed in the Adult 1 Psychiatric Unit, two separate orders for anxiety/agitation (Haldol and Lorazepam po) that were given together, at the same time. The current orders did not indicate that the medications could be administered in combination. §482.57(b)(3) - (A-1163) - (3) Services must only be provided under the orders of a qualified and licensed practitioner who is responsible for the care of the patient, acting within his or her scope of practice under State law, and who is authorized by the hospital's medical staff to order the services in accordance with hospital policies and procedures and State laws. This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Although appropriate, physician orders did not include care of the JP drain which was placed during surgery. The JP drain had not been mentioned in the physicians orders when this surveyor first looked at the orders, which was two days after placement. It was noted that the JP drain was addressed in physician orders after the tracer visit. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. The organization has a process (care transition order review) to reconcile physician orders when a patient is transferred between units or from surgery to a unit. The process reviews and/or updates orders to identify active orders. The process was not completed for the patient after surgery, and it could not be determined which orders were active.

**Elements of Performance:**

7. For hospitals that use Joint Commission accreditation for deemed status purposes: The hospital provides care, treatment, and services using the most recent patient order(s).

**Scoring Category:** A

**Corrective Action Taken:**

**WHO:** Chief of Staff, Vanderbilt University Hospital

**WHAT:**

Adult psychiatric pharmacy, nursing and medical staff leadership has approved a new order set for medication administration including (Haldol and Lorazepam) when being administered congruently for emergency situations. Medical Staff Rules and Regulations as approved by the Medical Center Medical Board (MCMB) & Medical Center Administrative Committee (MCAC) address patient orders in (section IV .a. ii. – iv.). “a. Patient Orders ... ii. Blanket reinstatement of orders: Blanket reinstatement of previous orders (or a summary order to resume all previous orders) for medication are not acceptable. iii. Orders automatically cancelled: All previous orders are automatically canceled when a patient goes to the operating room, is transferred to another clinical service, or changes level of care. New orders must be documented for such patients after transfer or other change in level of care. ... iv. Documentation required: All orders for treatment shall be documented in writing or electronically through the electronic order entry system.” The re-education of providers to the Medical Staff Rules and Regulations regarding patient orders and therapeutic duplication was completed via electronic communication from the Chief of Staff for Vanderbilt Health Services.

**WHEN:**

The Medical Staff Rules and Regulation was last approved on 5/21/2015 and published online on the policy website. The re-education of providers to the Medical Staff Rules and Regulations regarding patient orders and therapeutic duplication was completed via electronic communication from the Chief of Staff on 9/1/2015. The new medication order set was approved on 9/1/2015 and implemented 9/8/2015.

**HOW:**

Random audits will be conducted for provider order compliance to the Medical Staff Rules and Regulations. Non-compliance will be addressed by medical staff leadership.

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| HAP | Standard PC.02.02.03 | The hospital makes food and nutrition products available to its patients. |
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**Findings:** EP 11 Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. Observed in the PTU, a nutrition refrigerator temperature log with out of range temperatures on 7, 9, 14, 15 and 16 July without evidence of a corrective action and appropriate temperature range. According to the temperature log instructions, temperatures that were out of range should be adjusted, retaken, then if it continued to be out of range, the operator should contact Plant Operations for assistance. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. Observed in the PTU, a nutrition freezer temperature log with out of range temperatures on 9,15 and 16 July without any evidence of corrective action and appropriate temperature range. According to the temperature log instructions, temperatures that were out of range should be adjusted, retaken, then if it continued to be out of range, the operator should contact Plant Operations for assistance. Observed in Tracer Activities at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. An open milk carton without an open or expiration date was observed in the refrigerator in the Burn ICU. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site. During the review of a PICU nutrition refrigerator temperature log, two dates were noted to be out of range (07/16/15 and 07/17/15). The staff wrote "Adjusted" on the temperature log. There was no documentation of a temperature recheck or return to correct temperature range during that 48 hour period.

**Elements of Performance:**

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| HAP | Standard PC.03.01.03 | The hospital provides the patient with care before initiating operative or other high-risk procedures, including those that require the administration of moderate or deep sedation or anesthesia. |
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**Findings:** EP 1 Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. A presedation patient assessment was not in the medical record before moderate sedation was administered. It was also not in the medical record two hours after the debridement procedure was completed. The physician indicated that although the assessment had been completed and the documentation had been started, the



documentation had not been completed prior to the administration of the sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. The preanesthesia patient assessment done prior to an organ transplant did not include documentation of an airway assessment. Other components of the preanesthesia assessment were present. EP 8 Observed in Individual Tracer at Vanderbilt Bone & Joint Surgery Center (225 Bedford Way, Franklin, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt Bone & Joint Surgery Center (225 Bedford Way, Franklin, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. There was no evidence that the patient was reevaluated immediately before administering moderate sedation prior to a debridement procedure. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. There was no evidence that the patient was reevaluated immediately before administering anesthesia prior to an organ transplant. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site. During tracer activity in the PACU the record of a patient who had received anesthesia did not contain evidence of reevaluation immediately prior to induction of anesthesia as required by regulation. This was verified by Medical Directors of Anesthesia and Cardiac Anesthesia.

#### Elements of Performance:

1. Before operative or other high-risk procedures are initiated, or before moderate or deep sedation or anesthesia is administered: The hospital conducts a presedation or preanesthesia patient assessment. (See also RC.02.01.01, EP 2)

Scoring Category: A

**Corrective Action Taken:**

**WHO:** The Vice Chair for Clinical Affairs, Anesthesiology

**WHAT:**

One to one conversation with the non-compliant providers was performed. The departmental policy for pre-anesthesia patient assessment was discussed in the Anesthesia Department meeting.

**WHEN:**

One to one conversation with the non-compliant providers occurred during survey, 7/21/2015.  
Anesthesia Department meeting occurred 8/5/2015.

**HOW:**

Anesthesia will randomly audit records for compliance with pre-sedation/pre-anesthesia assessment.  
Any non-compliance will be addressed by Anesthesia Leadership.

8. The hospital reevaluates the patient immediately before administering moderate or deep sedation or anesthesia. (See also RC.02.01.01, EP 2)

Scoring Category: A

**Corrective Action Taken:**

**WHO:**

The Vice Chair for Clinical Affairs, Anesthesiology.

**WHAT:**

The Vice Chair for Clinical Affairs, Anesthesiology implemented the documentation of patient re-evaluation prior to induction of anesthesia/sedation in all perioperative anesthesia areas during the survey in response to guidance from the surveyors. This was communicated to all perioperative anesthesia areas through inter-office communications.

**WHEN:**

Inter-office communication sent 7/21/2015. This communication was reiterated 8/15/2015 at all-faculty meeting.

**HOW:**

Vanderbilt Coding and Billing Office will conduct random chart audits for compliance on patient re-evaluation prior to induction of anesthesia/sedation. Non-compliance will be addressed by Anesthesia Leadership.

**Vanderbilt University**  
**Organization ID: 7892**  
**1161 22nd Avenue Nashville, TN 37232-2101**

**Accreditation Activity - 60-day Evidence of Standards Compliance Form**  
**Due Date: 9/28/2015**

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**HAP    Standard EC.02.01.01 The hospital manages safety and security risks.**

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**Findings:** EP 5 §482.41(a) - (A-0701) - §482.41(a) Standard: Buildings The condition of the physical plant and the overall hospital environment must be developed and maintained in such a manner that the safety and well-being of patients are assured. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The trash compactor number one located at the receiving dock of the Children's Hospital was unattended with the operational key inserted allowing anyone to operate the compactor. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The trash compactor number two located at the receiving dock of the Children's Hospital was unattended with the operational key inserted allowing anyone to operate the compactor. Corrected on site.

**Elements of Performance:**

5. The hospital maintains all grounds and equipment.

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

The keys for trash compactors number one and two, located at the receiving dock of Children's Hospital, were immediately removed from the trash compactors during the survey. Education was sent to appropriate responsible personnel via email communication that trash compactor keys are to be kept in a secure location and never left in the trash compactor.

**WHEN:**

The keys were removed during the survey on 7/21/2015. Education was sent to appropriate responsible personnel via email communication by 9/18/2015.

**HOW:**

Keys for the trash compactors are kept in a central location with access granted only to qualified personnel. Plant services will perform weekly observations for ongoing compliance of the security of the trash compactor keys.

**Evaluation** For the next 4 months, VUMC will observe the 4 trash compactors weekly to monitor

**Method:** ongoing compliance with security of the compactor keys. The denominator is the total number of trash compactor inspections. The numerator is the total number of trash compactors found secured (no keys left unsecured). The results of these inspections will be reported to the VUMC Safety Committee.

**Measure of  
Success Goal 90  
(%):**

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| <b>HAP</b> | <b>Standard EC.02.06.01</b> | <b>The hospital establishes and maintains a safe, functional environment. Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.</b> |
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**Findings:** EP 1 §482.41(a) - (A-0701) - §482.41(a) Standard: Buildings The condition of the physical plant and the overall hospital environment must be developed and maintained in such a manner that the safety and well-being of patients are assured. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Observed in the Interventional Radiology Procedure Room # 1077 Relocatable Power Taps in use in a patient care area that were not permanently attached to the equipment assembly and does not meet UL1363A or the organizational policy (Electrical Equipment, effective March 2015). The power strip was removed from the procedure room. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Observed in the Interventional Radiology Procedure Room # 1074 Relocatable Power Taps in use in a patient care area that were not permanently attached to the equipment assembly and does not meet UL1363A or the organizational policy (Electrical Equipment, effective March 2015). The power strip was removed from the procedure room.

**Elements of Performance:**

1. Interior spaces meet the needs of the patient population and are safe and suitable to the care, treatment, and services provided.

**Scoring Category:** C

**Corrective Action Taken:**

**WHO:**

Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

The issue with the unapproved Relocatable power taps(RPT) in Interventional Radiology (IR) rooms 1077 and 1074 (patient care areas) was corrected when the surveyor was on site. RPTs were removed from both rooms. VUMC policy, SA 50-10.01, Electrical Equipment policy provides information about Vanderbilt's election to use the Centers for Medicare and Medicaid Services (CMS) categorical

waiver (Reference S&C 14-46-LSC). This waiver and the policy (implemented in 3/2015) define the types of and requirements associated with the use of relocatable power taps within the organization. Plant Services and Informatics completed the assessment, appropriate attachment, and upgrade of RPT's in the following in-patient and clinic sites: Vanderbilt University Hospital, Monroe Carroll Jr. Children's Hospital at Vanderbilt, One Hundred Oaks, Vanderbilt Eye Institute, Doctor's Office Tower, The Vanderbilt Clinic, Med Center East North Tower, and Med Center East South Tower. Informatics staff facilitated the RPT assessment, appropriate attachment, removal and/or upgrade in off-site clinics. Informatics also performed the assessment, appropriate attachment, and upgrade of RPT's associated with on-site mobile computer workstations.

**WHEN:**

The unapproved RPT's in Interventional Radiology procedure rooms 1107 and 1104 were removed on 7/24/2015 when the surveyor was on site. SA 50-10.01, Electrical Equipment policy was revised in 3/2015. As of 9/21/2015, all additional VUMC patient care areas were assessed and the RPT's, if present, were either removed or replaced with approved RPT equipment that was appropriately attached.

**HOW:**

Plant Services and Informatics assessed all VUMC patient care areas. Any RPT's, if present, were either removed or replaced with approved RPT equipment that were appropriately attached. Plant Services electric shop will inspect 50 rooms monthly for compliance with RPTs.

**Evaluation** Based on the number of rooms where RPTs are located, Plant Services will randomly

**Method:** inspect 50 rooms per month for the next 4 months for ongoing compliance. The denominator equals the total number of RPTs in the rooms inspected. The numerator equals the total number of RPTs found to be compliant. The results of these inspections will be reported to the VUMC Safety Committee.

**Measure of  
Success Goal 90  
(%):**

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**HAP    Standard IC.02.01.01    The hospital implements its infection prevention and control plan.**

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**Findings:**

EP 1 §482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control This Condition is NOT MET as evidenced by: Observed in Tracer Activities at Vanderbilt Bone & Joint Clinic (206 Bedford Way, Franklin, TN) site for the Hospital deemed service. During tracer activity and tour of the occupational therapy cleaning of the hydrocollator had been performed every month versus every 14 days per manufacturers recommendation. The policy for this process had been corrected and implemented prior to the end of this survey. §482.13(c)(2) - (A-0144) - (2) The patient has the right to receive care in a safe setting. This Standard is NOT MET as evidenced by: Observed in Tracer Activities at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. The hospital does not always successfully implement activities to minimize, reduce, or eliminate the risk of infection. For example, dust was observed on the bronchoscopy tower cart and the bronchoscopy cart in the Burn ICU. Observed in Peds/ED, Tracer Activities at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. During environment of care rounds, it was observed, three emergency carts with attached side shelves for

holding additional supplies. The carts were moderately to heavily soiled with dust. Observed in Peds/ED, Tracer Activities at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. It was observed in a storage area, a cart with a pediatric weighing scale on top. The cart was moderately soiled with dust.

**Elements of Performance:**

1. The hospital implements its infection prevention and control activities, including surveillance, to minimize, reduce, or eliminate the risk of infection.

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Director of Infection Prevention

**WHAT:**

All medical equipment cited above was cleaned during the survey. Organization-wide re-education regarding the cleaning of medical equipment was sent by electronic communication.

**WHEN:**

All medical equipment cited above was cleaned by 7/24/2015 during the survey. Organization-wide re-education regarding the cleaning of medical equipment completed by 9/21/2015.

**HOW:**

Ongoing assessment of compliance to equipment cleaning will be accomplished via monthly Environment of Care Surveys. Any occurrence of non-compliance will be reported to unit leadership for correction.

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**HAP Standard LD.04.01.07** The hospital has policies and procedures that guide and support patient care, treatment, and services.

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**Findings:** EP 2 Observed in Tracer Activities at Vanderbilt Medical Group at West End Ave. | 2611 West End Av (2611 West End Ave., Nashville, TN) site. During tracer activity and tour of the allergy/asthma clinic management of samples had not been in compliance with the organizational policy "Sample Medication Management" OP10-10.02 current as of June 2015. Although the clinic had a log of all samples, there was no documentation of who the medication was dispensed to, the date dispensed or the lot number or the medication dispensed. In addition, there was "message communication in the electronic medical record but no evidence of an order or education to the patient of the medication as directed by the policy. Observed in Individual Tracer at Vanderbilt University Medical Center | 2200 Children's Way, (2200 Children's Way, Nashville, TN) site. During a tracer in the PICU an observation was made of signage on the breast milk storage refrigerator which stated "Breast Milk Pumped (never frozen) May be Stored for Up to Seven Days." The nurse manager confirmed this is the procedure followed in the PICU. The HCO's Policy CL 30-19.17 (last revised date August 2007) "Breastfeeding; Expressing and Storage of Breast Milk-VCH" states "EBM should be frozen immediately if it is not to be used within 24 hours." The policy does not address storage of breast milk in the refrigerator for seven

days. The current CDC recommendation is to store expressed breast milk for a maximum of 5 days. Policies and Procedures were revised during survey and practice was changed to meet current CDC recommendations.

**Elements of Performance:**

2. The hospital manages the implementation of policies and procedures. (See also NR.02.03.01, EP 2)

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

The Accreditation and Regulatory Administrator

**WHAT:**

Observation 1: The Sample Medication Management policy OP 10-10.02 was updated to include revised log sheets for documentation of sample medication to include: who the medication was dispensed to, the date dispensed, the lot number and medication dispensed. A Sample Medication Program Implementation Plan was developed by the Pharmacy detailing the required steps for compliance with the revised Sample Medication Management policy. In-services were held by the clinic manager to educate the Vanderbilt Asthma, Sinus, and Allergy Program (VASAP) providers and clinical staff regarding the new processes. Observation 2: Expressing and Storage of Breast Milk Policy CL 30-19.17 was reviewed and revised to include the following changes under section V.C, storage of breast milk (EBM): "EBM should be frozen immediately if it is not to be used within 48 hours. If EBM is fortified it should be used within 24 hours" and "Partially thawed EBM can be re-frozen in the hospital setting." Breast milk storage signs were developed and placed on all breast milk refrigerators in VCH. The sign reflects the updated storage timeframes according to the revised policy. Education to Vanderbilt Children's Hospital (VCH) staff was completed via newsletters summarizing updated breast milk storage guidelines.

**WHEN:**

Observation 1: The revised Sample Medication Management policy OP 10-10.02 was approved by the Pharmacy, Therapeutics and Diagnostics Committee and was approved and implemented by the Medical Center Medical Board on 9/3/2015. The Sample Medication Program Implementation Plan was provided to the VASAP Manager on 8/21/2015. VASAP Provider and staff education was completed via in-services and email notification by 9/9/2015. Revised processes were implemented on 9/10/2015. Observation 2: The revised Expressing and Storage of Breast Milk Policy was approved by the Medical Center Medical Board in 9/22/2015. Signs were placed on the breast milk refrigerators 9/18/2015. Staff education was completed by 9/21/2015.

**HOW:**

Observation 1: The Pharmacy Compliance and Process Improvement Manager performs monthly reviews of Sample Medication documentation to assess ongoing compliance. Observation 2: The Quality Improvement Analysts perform monthly observations of breast milk storage to assess ongoing compliance.

**Evaluation**

**Method:** Observation 1: Sample Medication documentation will be reviewed monthly for four consecutive months via log and chart reviews. The review will include documentation of who the medications was dispensed to, the date dispensed, the lot number of the medication dispensed, patient education, and the provider order. All patients who receive sample medication from the clinic will be audited. Denominator = the total number of patients who received sample medication; Numerator = number of patients



who received sample medication dispenses with specified documentation. Data will be reported to Pharmacy Therapeutics and Diagnostic Committee. Observation 2: All breast milk refrigerators will be reviewed monthly for four consecutive months via Quality Improvement Analysts. The review will include verification that the sign is affixed to the refrigerator. Denominator = the total number of refrigerators; Numerator = the number of refrigerators with compliant signage. All bottles of breast milk stored in all breast milk refrigerators will be reviewed. Denominator = the total number of bottles of breast milk; Numerator = the number of compliant bottles stored in the refrigerator. Data will be reported to the Children's Performance Management and Improvement Council.

**Measure of  
Success Goal 90  
(%):**

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|------------|-----------------------------|--|
| <b>HAP</b> | <b>Standard LS.02.01.10</b> | <b>Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.</b> |
|------------|-----------------------------|--|

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**Findings:** EP 9 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html). Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. At the Children's Hospital there was a penetration above ceiling located on the seventh floor adjacent to room 7407 due to a four inch sleeve containing communication type wiring that was not properly filled with an approved fire resistance rated material in the two hour fire resistance rated separation. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. At the Children's Hospital there was a penetration above ceiling located on the sixth floor adjacent to room 6007 due to a two inch sleeve containing communication type wiring that was not properly filled with an approved fire resistance rated material in the two hour fire resistance rated separation. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (1161 21st Ave. South, Nashville, TN) site for the Hospital deemed service. At Medical Center North there was a penetration in the two hour fire resistance rated separation adjacent to room 4404 due to a four inch sleeve containing communication wire where the interior space was not filled with an approved fire resistance rated material. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (1161 21st Ave. South, Nashville, TN) site for the Hospital deemed service. At Medical Center North there was a penetration in the

two hour fire resistance rated separation adjacent to room 3402 due to a four inch sleeve containing communication wire where the interior space was not filled with an approved fire resistance rated material. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (1215 21st Ave. South, Nashville, TN) site for the Hospital deemed service. At the East North Tower there was an above ceiling penetration located adjacent to stair 3 in the two hour fire resistance rated separation due to a one half inch sleeve not filled with an approved fire rated material. Corrected on site.

#### **Elements of Performance:**

9. The space around pipes, conduits, bus ducts, cables, wires, air ducts, or pneumatic tubes that penetrate fire-rated walls and floors are protected with an approved fire-rated material. Note: Polyurethane expanding foam is not an accepted fire-rated material for this purpose. (For full text and any exceptions, refer to NFPA 101-2000: 8.2.3.2.4.2)

#### **Scoring Category: C**

#### **Corrective Action Taken:**

##### **WHO:**

Assistant Vice Chancellor, Facilities and Construction

##### **WHAT:**

The above ceiling penetration in Children's Hospital located on the 7th floor adjacent to room 7407 and on the 6th floor adjacent to room 6007 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation. The penetrations at MCN adjacent to room 4404 and at MCN adjacent to room 3402 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation. The above ceiling penetration at East North Tower adjacent to stair 3 was filled with an approved fire material. VUMC has an above ceiling program, outlined by VUMC safety policy, SA 40-10.07, Above Ceiling Work(ACW). The policy requires an ACW Permit to be maintained at the work location and all personnel performing above ceiling work to carry a VUMC (ACW)certification card. Upon completion of ACW, the individual responsible for the work completes a completion checklist. The permit is considered closed out once the final inspection signature block and date fields are completed by VUMC authorizing representative.

##### **WHEN:**

The above ceiling penetrations in Children's Hospital located on the 7th floor adjacent to room 7407 and on the 6th floor adjacent to room 6007 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation on 7/24/2015. The penetrations at MCN adjacent to room 4404 and at MCN adjacent to room 3402 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation on 7/24/2015. The above ceiling penetration at East North Tower adjacent to stair 3 was filled with an approved fire material on 7/24/2015. Above Ceiling Work policy revised 4/2013.

##### **HOW:**

The Plant Services Department has a preventative maintenance (PM) program/building maintenance program (BMP). Fire/Smoke barrier assemblies are included as "assets" in the BMP and are checked continuously throughout the organization for penetrations in fire-rated walls. Any penetrations discovered during these inspections are properly filled with an approved fire resistant rated material. In addition to the Plant Services PM and BMP programs, VUMC also has an ACW Program, outlined by VUMC safety policy, SA 40-10.07, Above Ceiling Work policy. The policy requires an ACW permit to be maintained at the work location and that all personnel performing above ceiling work to carry a VUMC ACW Certification Card. Upon completion of ACW permit, the individual responsible

for the work completes a completion checklist. The permit is considered closed out once the final inspection signature block and date fields are completed by VUMC authorizing representative.

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**HAP    Standard LS.02.01.30    The hospital provides and maintains building features to protect individuals from the hazards of fire and smoke.**

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**Findings:** EP 23 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html). Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the smoke separation double door number 10636 had a gap greater than 1/8 inch at the location of where the two doors meet. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the smoke separation double door number 9220 had a gap greater than 1/8 inch at the location of where the two doors meet. Observed in Building Tour at Vanderbilt University Medical Center (1601 23rd Ave. South, Nashville, TN) site for the Hospital deemed service. The double leaf smoke separation door adjacent to room 2178 did not close completely resulting in a gap greater than one eighth inches between the meeting edges.

**Elements of Performance:**

23. Doors in smoke barriers are self-closing or automatic-closing, constructed of 1 3/4-inch or thicker solid bonded wood core or constructed to resist fire for not less than 20 minutes, and fitted to resist the passage of smoke. The gap between meeting edges of door pairs is no wider than 1/8 inch, and undercuts are no larger than 3/4 inch. Doors do not have nonrated protective plates more than 48 inches above the bottom of the door. (For full text and any exceptions, refer to NFPA 101-2000: 18/19.3.7.5, 18/19.3.7.6, and 8.3.4.1)

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

The gaps at the meeting edges of smoke separation double door number 10636, 9220, and the double leaf smoke separation door adjacent to room 2178 were corrected to a gap of less than 1/8 inch.

**WHEN:**

Gaps at the meeting edges of smoke separation double door numbers 10636, 9220, and the double leaf smoke separation door adjacent to room 2178 were corrected to a gap of less than 1/8 inch on 8/20/2015.

**HOW:**

The Plant Services Department has a preventative maintenance (PM) program/building maintenance program (BMP). Fire/Smoke barrier door assemblies are included as "assets" in the BMP and are checked continuously throughout the organization. The PM for 1 and 2 hr Fire/Smoke barrier door assemblies includes checking for gaps not greater than 1/8 inch. Any door discovered to have a gap greater than 1/8 inch between the meeting edges is reported to the Manager of Work Management & Compliance. A work order is generated for immediate attention to the doors. The Environment of Care team conducts weekly inspections throughout the organization and reviews doors for appropriate gaps as part of these inspections. Deficiencies are reported to the Manager of Work Management & Compliance for correction when observed.

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**HAP Standard MM.05.01.11 The hospital safely dispenses medications.**


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**Findings:** EP 4 Observed in Individual Tracer at Vanderbilt University Medical Center (1500 21st Ave. South, Nashville, TN) site. The dialysis unit routinely used a multidose vial of 30,000 units of heparin per ml for injection as a multidose vial. The multidose vial is used for different patients until empty. Observed in Building Tour at Hemodialysis Clinic East (20 Rachel Drive, Nashville, TN) site. During a tour of the outpatient dialysis unit, several bottles of heparin 30,000 units per cc vials were located in the medication room. The vials are used for several patients and are not used for one patient,

**Elements of Performance:**

4. Medications are dispensed in the most ready-to-administer forms commercially available and, if feasible, in unit doses that have been repackaged by the pharmacy or licensed repackager.

**Scoring Category: C****Corrective Action Taken:****WHO:**

Accreditation and Regulatory Administrator

**WHAT:**

Pharmacy, nursing, and medical staff leadership reviewed heparin use in the Village at Vanderbilt Dialysis Clinic and Vanderbilt Dialysis East Clinic and identified the heparin 1,000 unit/mL, 10 mL vial size as the most ready-to-administer form commercially available. Staff in-services were held to educate staff on the new vial size and to limit use to one vial / one patient.

**WHEN:**

Dialysis clinic staff in-services were completed by 8/24/2015. The two Dialysis clinics converted to the use of heparin 1,000 unit/mL, 10 mL vial size and the use of one vial / one patient by 8/25/2015.

**HOW:**

1. Heparin Vial purchases: All heparin purchases will be reviewed to validate the purchase of heparin

1,000 unit/mL in the 10mL vial size rather than 30 mL at the Dialysis clinics. 2. Review of all heparin vials in stock during monthly survey. Dialysis clinic observations will be conducted monthly to validate the use of heparin vials for only one patient. Compliance will be reported monthly to Pharmacy, Therapeutics and Diagnostics Committee.

**Evaluation** All heparin purchases will be reviewed monthly by pharmacy to validate the purchase

**Method:** of heparin 1,000 unit/mL in the 10mL vial size rather than 30 mL at the Dialysis clinics. Denominator = the total number of heparin vials purchased each month; Numerator = the number of heparin vials purchased in the appropriate vial size. This will be monitored for 4 consecutive months. 2. Review of all heparin vials in stock during monthly survey. Dialysis clinic observations will be conducted monthly to validate the use of heparin vials for only one patient. Observations will be conducted of the area for no opened vials of heparin found in stock. Observation will be completed by pharmacy and regulatory specialist. Observations: Denominator= total number of heparin vials in stock; Numerator = the number of unopened heparin vials. Observations: Denominator= total number of staff observed; Numerator = the number of staff compliant. Both will be monitored for 4 consecutive months. Compliance for both indicators will be reported monthly to Pharmacy, Therapeutics and Diagnostics Committee.

**Measure of  
Success Goal 90  
(%):**

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| HAP    Standard MS.06.01.03 | <b>The hospital collects information regarding each practitioner's current license status, training, experience, competence, and ability to perform the requested privilege.</b> |
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**Findings:** EP 6 §482.11(c) - (A-0023) - (c) The hospital must assure that personnel are licensed or meet other applicable standards that are required by State or local laws. This Standard is NOT MET as evidenced by: Observed in Credentialing and Privileging at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. During review of a medical staff LIP credentials file, it was noted that the physician's license had expired on 6-30-14 and primary source verification of renewal was documented on 7-2-14. The physician's license was not documented as renewed on 6-30-14 as verified by both the Director and Manager of Medical Staff Provider Support Services. There was an attempt to verify the renewal of the license on 6-30-14, but the State was unable to verify the renewal due to the late submission of the application. The Medical Staff Provider Support Services coordinator stated that the physician submitted the reapplication on 6-30-2014. The physician practiced on 7-1-2014 as confirmed by the Accreditation and Regulatory Administrator. The license was validated as renewed on 7-2-14 by the credentialing specialist. Current documentation posted from the Tennessee Code states the physician's license was renewed from 7-1-2014 through 6-30-2016.

#### **Elements of Performance:**

6. The credentialing process requires that the hospital verifies in writing and from the primary source whenever feasible, or from a credentials verification organization (CVO), the following information: -

The applicant's current licensure at the time of initial granting, renewal, and revision of privileges, and at the time of license expiration - The applicant's relevant training - The applicant's current competence (See also PC.03.01.01, EP 1)

**Scoring Category: A**

**Corrective Action Taken:**

**WHO:**

Chief Medical Officer, VMG

**WHAT:**

The policy, Provider Support Services (PSS) License Renewal Verification Process was developed and approved by the Executive Committee of the Medical Center Medical Board. This policy outlines the process that ensures all credentialed providers maintain current State and Federal license requirements. The Medical Staff Bylaws and Rules & Regulations were approved by the Medical Center Medical Board, Medical Staff and the Medical Center Affairs Committee and address the responsibility of the licensed healthcare professionals to maintain current license without lapse in section 3.2.1: "Licensure: Hold a currently valid license issued by the State of Tennessee to practice medicine or dentistry or teach a new procedure or learn a new technique." The re-education of medical staff to the Medical Staff Bylaws and Rules & Regulations regarding expiring licenses was completed via electronic communication from the Chief of Staff. Clarifying information from the Board of Medical Examiners regarding the Board's interpretation of the 60 day "grace" period for license renewals was posted to the PSS SharePoint site for the PSS Staff and communicated to each member of the team.

**WHEN:**

The policy, Provider Support Services (PSS) License Renewal Verification Process was approved and implemented on 8/20/2015. The Medical Staff Bylaws and Rules & Regulations were last approved on 5/21/2015 and published online in Policy Tech. The re-education of the medical staff to the Medical Staff Bylaws and Rules & Regulations regarding expiring licenses was completed via electronic communication from the Chief of Staff by 9/7/2015. The SharePoint post and communication to PSS Staff occurred on 7/27/2015.

**HOW:**

Provider Support Leadership will monitor the activities of the process to ensure compliance with the Provider Support Services (PSS) License Renewal Verification Process on a monthly basis.

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**HAP    Standard PC.01.03.01 The hospital plans the patient's care.**

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**Findings:** EP 44 Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. A patient had the care need of anxiety identified by the provider. However, there were no specific goals identified as part of a patient treatment plan. Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. Included in the provider visit note was a statement that the health goals of diet, exercise, substance abuse, and risk reduction were discussed. However, there was no description of these goals specific to this particular patient's care needs reflected in a treatment plan.

**Elements of Performance:**

44. For hospitals that elect The Joint Commission Primary Care Medical Home option: Patient self-management goals are identified, agreed upon with the patient, and incorporated into the patient's treatment plan. (Refer to RI.01.02.01, EP 1)

**Scoring Category: A****Corrective Action Taken:****WHO:**

Medical Director of Vanderbilt Comprehensive Care Clinic (VCCC)

**WHAT:**

The provider progress note template was revised to include patient self management goals and incorporated into the patient's treatment plan with the patient's agreement. Comprehensive Care Clinic providers were educated to the new provider note template at the provider meeting.

**WHEN:**

Provider progress note template revised 9/3/2015. Provider education completed 9/9/2015.

**HOW:**

Random medical record audits will be conducted to verify the presence of self management goals that are agreed upon with the patient and incorporated into the patient's treatment plan.

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**HAP Standard RI.01.04.03**

**For hospitals that elect The Joint Commission Primary Care Medical Home option: The primary care medical home provides patients with information about its functions and services.**

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**Findings:** EP 1 Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. A new patient information booklet had been developed that included this standard's information requirements. However, a patient's documented education was reviewed and there was no evidenced that the required information had been provided. The patient had been treated at the clinic for several years and was not considered a "new patient". Further, the patient's record indicated that she could not read. In discussion with clinic leadership staff, it was determined that there was not a mechanism in place to provide this required information to long-standing patients or those with literacy needs.

**Elements of Performance:**

1. For hospitals that elect The Joint Commission Primary Care Medical Home option: The primary care medical home provides information to the patient about: Its mission, vision, and goals. (Refer to LD.02.01.01, EP 3) Note: This may include how it provides for patient-centered and team-based comprehensive care, a systems-based approach to quality and safety, and enhanced patient access.

**Scoring Category: A****Corrective Action Taken:****WHO:**

The Clinical Director of Vanderbilt Comprehensive Care clinic (VCCC)

**WHAT:**

Required Information: A process was developed to provide brochures describing the mission, vision, and goals for comprehensive care at VCCC. These brochures are available at the front desk and given to every patient at every visit. Front desk staff were trained to provide a brochure to each patient at intake. Health Literacy Needs: The provider progress note template was revised to address health literacy needs. Clinical staff were reeducated via on-screen demonstration and written communication in team meeting to discuss current process to verbally go over printed materials with patients who have a positive intake result for health literacy needs.

**WHEN:**

Required Information: The process for providing the brochures and the training of the front desk staff was completed 9/14/2015. Health Literacy Needs: The provider progress note template was revised and providers were educated at the provider meeting and the form was implemented by 9/9/2015. Clinical staff reeducation was completed 9/14/2015.

**HOW:**

Random observations that patients are receiving the required information, suitable to the patient, regarding the mission, vision and goals of the VCCC will be conducted. Random electronic medical record audits will be conducted to verify that health literacy is addressed in the provider note. Non compliance will be addressed by the clinical director of VCCC.

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**HAP    Standard RI.01.05.01    The hospital addresses patient decisions about care, treatment, and services received at the end of life.**

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**Findings:** EP 9 §482.13(b)(3) - (A-0132) - (3) The patient has the right to formulate advance directives and to have hospital staff and practitioners who provide care in the hospital comply with these directives, in accordance with §489.100 of this part (Definition), §489.102 of this part (Requirements for providers), and §489.104 of this part (Effective dates). This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Vanderbilt Medical Group at Coolsprings Blvd. (324 Coolsprings Blvd., Franklin, TN) site for the Hospital deemed service. During review of the medical record of an oncology patient, there was no evidence that the patient had an advance directive or had been provided information regarding advance directives. This was not in compliance with the organizational policy "Health Care Decision Making/Advance Directives OP20-10.08 current as of June 2015. Education of advance directives and pilot program for implementation in outpatient Oncology is to take place in September. Observed in Individual Tracer at Vanderbilt Ingram Cancer Center - Franklin (2107 Edward Curd Lane, Franklin, TN) site for the Hospital deemed service. During review of the medical record of a radiation oncology patient, there was no evidence that the patient had an advance directive or had been provided information regarding advance directives. This was not in compliance with the organizational policy "Health Care Decision Making/Advance Directives OP20-10.08 current as of June 2015. Education of advance directives and pilot program for implementation in outpatient Oncology is to take place in September. Observed in Individual Tracer at Vanderbilt Medical Group at Green Hills - Bedford Ave. (3810 Bedford Ave., Suite 100, Nashville, TN) site for the Hospital deemed service. During review of the medical record of an infusion patient, there was no evidence that the patient had an advance directive or had been provided information regarding advance directives.



This was not in compliance with the organizational policy "Health Care Decision Making/Advance Directives OP20-10.08 current as of June 2015. Education of advance directives and pilot program for implementation in outpatient Oncology is to take place in September.

**Elements of Performance:**

9. The hospital documents whether or not the patient has an advance directive.

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Chief Nursing Officer of VUH and VMG.

**WHAT:**

Nursing Administrative Directors discussed process for documenting evidence that patient has an advanced directive or was given information. Process approved at the Advanced Directives Implementation Committee meeting. Electronic Clinic Intake Form revised to include Advanced Directive question. A memo was sent by VUH and VMG Chief Nursing Officer to VMG clinic managers regarding process to include question on electronic clinic intake form and audit to measure compliance. Training document developed to aid outpatient staff in what questions to ask patients, where to document the conversation and how to obtain Advanced Care Plan documents to give patients who request these. Education using the training document was completed for all necessary outpatient staff to include staff where observations occurred during onsite visit (Vanderbilt Medical Group at Coolsprings Blvd., Vanderbilt Ingram Cancer Center and Vanderbilt Medical Group at Green Hills). Staff trained on revised electronic clinic intake form. Implemented revised electronic clinic intake form in the outpatient settings.

**WHEN:**

8/24/2015: Nursing Administrative Directors meeting held to discuss process for documenting evidence that patient has an advanced directive or was given information. 9/2/2015: Process approved at the Advanced Directives Implementation Committee meeting. By 9/23/2015: Electronic clinic intake form was revised. 9/18/2015: A memo was sent by the VUH and VMG Chief Nursing Officer to VMG clinic managers regarding process to include question on electronic clinic intake form and audit to measure compliance. 9/11/2015: Training document developed to aid outpatient staff in what questions to ask patients, where to document the conversation and how to obtain Advanced Care Plan documents to give patients who request these. By 9/23/2015: Education was completed for all necessary outpatient staff to include staff where observations occurred during onsite visit (Vanderbilt Medical Group at Coolsprings Blvd., Vanderbilt Ingram Cancer Center and Vanderbilt Medical Group at Green Hills). By 9/23/2015: Staff were trained on revised clinic electronic intake form. By 9/23/2015: Revised clinic electronic intake form was implemented in the outpatient settings.

**HOW:**

Quality, Safety and Risk Prevention Department will perform random monthly medical record reviews of the clinic intake form for ongoing compliance of documentation for evidence the patient has an advance directive or provided information on advance directive.

**Evaluation**

**Method:** Quality, Safety and Risk Prevention Department will randomly audit 70 outpatient medical records for four consecutive months. The data will be reported to the Outpatient Nursing Leadership Board. Numerator: # of outpatient medical records compliant for documentation evidence that patient has an advance directive or was

given information. Denominator: # of electronic outpatient medical records reviewed (70)

**Measure of  
Success Goal 90  
(%):**

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**HAP     Standard UP.01.03.01 A time-out is performed before the procedure.**

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**Findings:** EP 2 Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. During an observation of a pain procedure with moderate sedation, the time out was conducted and included the attending physician, RN, radiology technician and patient. An anesthesia fellow joined the procedure after the time out was performed and proceeded to complete a major portion of the procedure. There was no additional time out completed when this physician joined the team.

**Elements of Performance:**

2. The time-out has the following characteristics: - It is standardized, as defined by the hospital. - It is initiated by a designated member of the team. - It involves the immediate members of the procedure team, including the individual performing the procedure, the anesthesia providers, the circulating nurse, the operating room technician, and other active participants who will be participating in the procedure from the beginning.

**Scoring Category:** A

**Corrective Action Taken:**

**WHO:**

Associate Nursing Officer – Surgery Patient Care Center

**WHAT:**

The Universal Protocol - Identification of Correct Patient, Procedure, Site/Side CL 30-04.16 policy was developed and endorsed by the Clinical Practice Committee, and the Medical Center Medical Board. The time-out process is addressed in the policy in the following manner: "B. Time-out 1. Conduct a time-out immediately before starting the invasive procedure or making the incision with all relevant members of the team focused on the active verbal confirmation of the correct patient, procedure, and site/side" Attending physician as well as the Fellow were counseled one-on-one regarding time-out compliance requirement per policy by the Chief - Division of Pain Medicine. Time-out policy was reviewed with all staff and faculty in the Pain Clinic by the Manager of Vanderbilt Preoperative Evaluation Center (VPEC) & Interventional Pain Clinic. The reeducation of providers to the time-out requirement was completed via electronic communication from the Chief of Staff for Vanderbilt Health Services. This reeducation included situations in which an additional proceduralist joins the procedure after the time-out is performed, the time-out is repeated.

**WHEN:**

The Universal Protocol - Identification of Correct Patient, Procedure, Site/Side CL 30-04.16 policy was developed and endorsed by the Clinical Practice Committee, and the Medical Center Medical Board 7/2015. Attending physician as well as the Fellow were counseled one-on-one regarding time-out compliance requirement per policy on 7/23/2015. Time-out policy reviewed with all staff and

faculty in Pain Clinic on 7/23/2015. The reeducation of providers to the time-out requirement was completed via electronic communication from the Chief of Staff for Vanderbilt Health Services on 9/1/2015.

**HOW:**

Random observations by clinic manager in One Hundred Oaks Pain clinic procedural area will be conducted for compliance on time-out process. Non-compliance will be addressed by Patient Care Center Leadership.

## Proof of Publication



## State of Tennessee

### Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

Fax: 615-741-9884

April 1, 2018

Ginna Felts, VP, Business Development  
Vanderbilt University Medical Center  
3319 West End Avenue, Suite 920  
Nashville, TN 37203

RE: Certificate of Need Application – Vanderbilt University Medical Center - CN1803-016  
The addition of 14 adult psychiatric beds to the existing 92-bed Vanderbilt Psychiatric Hospital which operates under the license of Vanderbilt University Medical Center (VUMC). This will increase the licensed psychiatric bed total to 106. VUMC is currently licensed for 1,029 beds. With an additional 134 CON approved beds and 68 PC 1043 exemption beds currently under construction, its licensed total will be 1,245 upon project completion. The applicant is owned by Vanderbilt University Medical Center. The facility is located on the campus of VUMC at 1211 Medical Center Drive, Nashville (Davidson County), TN. The estimated project cost is \$4,214,113.

Dear Ms. Felts:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is [Trent.Sansing@tn.gov](mailto:Trent.Sansing@tn.gov) or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on April 1, 2018. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on June 27, 2018.



## State of Tennessee

### Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

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Fax: 615-741-9884

Ms. Felts

Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (5) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (6) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff is not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Melanie M. Hill" followed by a stylized monogram "MH".

Melanie M. Hill  
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



**State of Tennessee**

**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243  
[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director  
Office of Policy, Planning and Assessment  
Division of Health Statistics  
Andrew Johnson Tower, 2nd Floor  
710 James Robertson Parkway  
Nashville, Tennessee 37243

FROM: Melanie M. Hill *MMH/MF*  
Executive Director

DATE: April 1, 2018

RE: Certificate of Need Application  
Vanderbilt University Medical Center - CN1803-016

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on April 1, 2018 and end on June 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Ginna Felts







**State of Tennessee**  
**Health Services and Development Agency**

Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

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Fax: 615-741-9884

20180309

**LETTER OF INTENT**

The Publication of Intent is to be published in the Tennessean which is a newspaper  
of general circulation in Davidson (Name of Newspaper)  
(County), Tennessee, on or before March 9, 2018,  
(Month / day) (Year)  
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Vanderbilt University Medical Center Hospital  
(Name of Applicant) (Facility Type-Existing)  
owned by: Vanderbilt University Medical Center with an ownership type of Corporation, Not-for-profit  
and to be managed by: Vanderbilt University Medical Center intends to file an application for a Certificate of Need  
for [PROJECT DESCRIPTION BEGINS HERE]: the addition of fourteen (14) adult psychiatric beds located on the campus of  
Vanderbilt University Medical Center located at 1211 Medical Center Drive, Nashville, TN 37232. The project cost is projected to  
be \$4,214,113. This project will increase the total inpatient psychiatric capacity of Vanderbilt University Medical Center  
by fourteen (14) beds to a total 106 psychiatric beds. The project will not involve any other service for which a certificate of need is required.

The anticipated date of filing the application is: March 14, 2018

The contact person for this project is Ginna Felts, Vice-President, Business Development  
(Contact Name) (Title)

who may be reached at: Vanderbilt University Medical Center 3319 West End Avenue, Suite 920  
(Company Name) (Address)  
Nashville TN 37203 615 / 936-6005  
(City) (State) (Zip Code) (Area Code / Phone Number)  
[Signature] 3/9/18 ginna.rader@vanderbilt.edu  
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency**  
**Andrew Jackson Building, 9<sup>th</sup> Floor**  
**502 Deaderick Street**  
**Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

# Supplemental #1 (Original)

Vanderbilt University  
Medical Center

CN1803-016

**March 23, 2018**

**1:29 P.M.**

**AFFIDAVIT**

MAR 23 '18 PM 1:29

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Vanderbilt University Medical Center

I, C. Wright Pinson, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

C. Wright Pinson  
Signature/Title

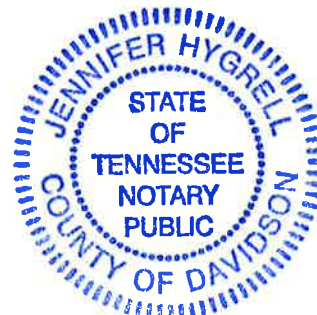
Sworn to and subscribed before me, a Notary Public, this the 23<sup>rd</sup> day of March, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

Jennifer Hygrel  
NOTARY PUBLIC

My commission expires July 8, 2019.

HF-0043

Revised 7/02



**1. Section A: Project Summary, A. Overview 1) Description**

How is the space designated for the 14 beds currently being utilized? If this space is currently being utilized by another service/function, where will that service relocate to in the hospital?

**RESPONSE:** This proposed space was previously utilized as a basic science research lab. As part of a campus-wide initiative in December 2012, the lab was relocated to Medical Research Building III, leaving this proposed space vacant. As a result, there is not a service/ function to be relocated.

**2. Section A: Project Details Item 6A Legal Interest in the Site.**

The ground lease between Vanderbilt University (VU) and Vanderbilt University Medical Center (VUMC) does not identify the lease expense for VUMC. Please explain.

**RESPONSE:** The Memorandum of Ground Lease document is a public document recorded with the Davidson County Trustee's office to memorialize the ground lease from Vanderbilt University to Vanderbilt University Medical Center. Most of the terms of the underlying Ground Lease are subject to a confidentiality agreement between the parties. However, the amount of the lease payments are described in Footnote 14 to the Consolidated Financial Statements of Vanderbilt University Medical Center provided as Attachment C. Economic Feasibility.6 in the original application.

**3. Section A: Project Details Item 6B 2) Floor Plan**

Will all 14 beds be semi-private? What is the private/semi-private mix of psychiatric beds at Vanderbilt Psychiatric Hospital (VPH)?

**RESPONSE:** Yes, consistent with other units at VPH, this unit will be semi-private.

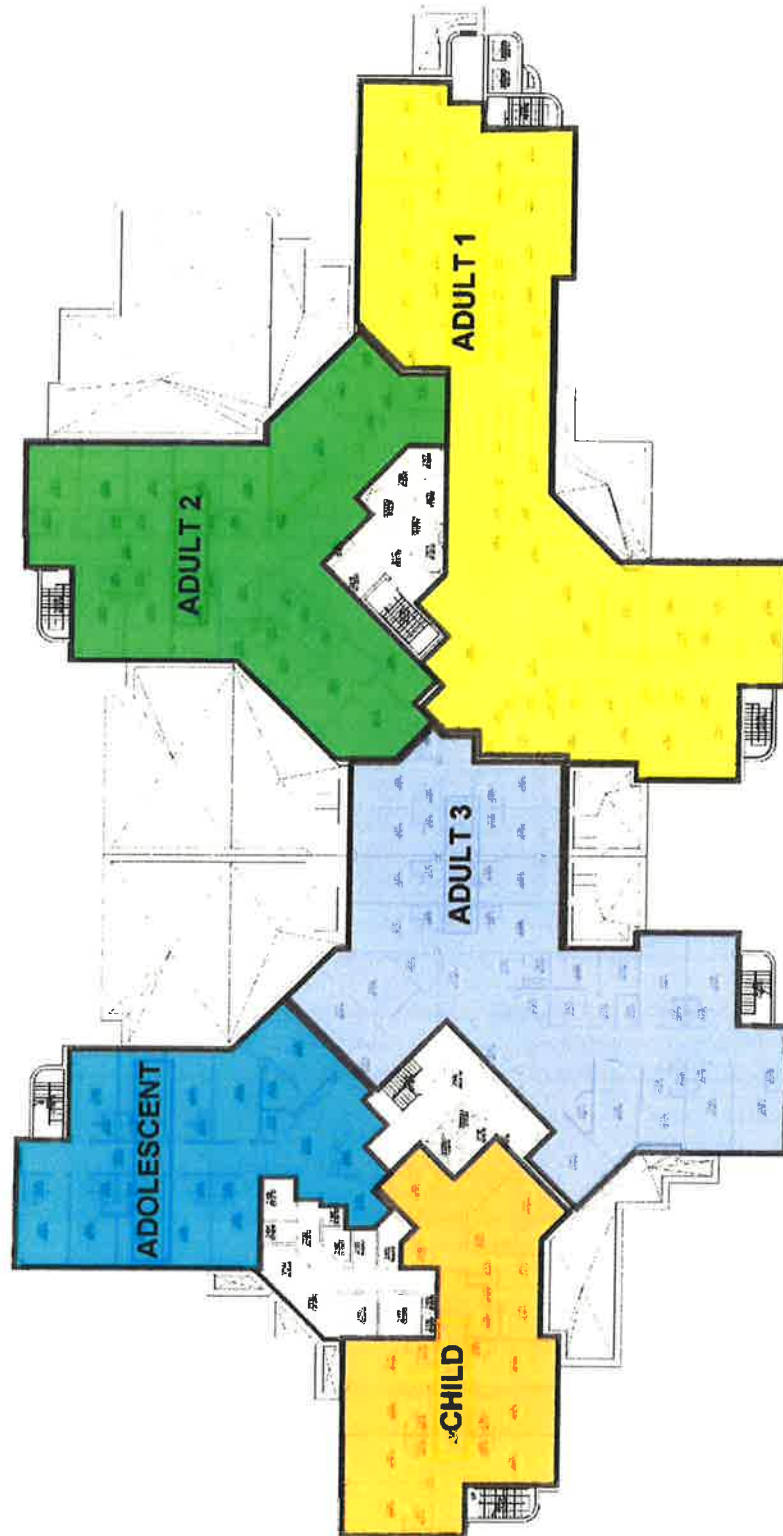
Are these 14 beds in a separate unit or do these beds extend an existing nursing unit?

**RESPONSE:** This will be a separate unit.

Please provide a chart that by floor identifies the location of child/adolescent beds and adult/geriatric beds.

**RESPONSE:** Please see the floor plan below identifying the child, adolescent and adult beds.

| Unit / Department | Existing Location | Number of Beds |
|-------------------|-------------------|----------------|
| Child Unit        | VPH 2             | 14             |
| Adolescent Unit   | VPH 2             | 16             |
| Adult 1 Unit      | VPH 2             | 24             |
| Adult 2 Unit      | VPH 2             | 16             |
| Adult 3 Unit      | VPH 2             | 24             |



Graphic Scale:  
 0 10 20 30 40 50 60

**4. Section A, Project Details, Item 10. Bed Complement Chart**

The applicant identifies 68 ICU beds added through the 10% exemption provision. Were there not 4 psychiatric beds also added through this provision at the same time? If yes, please submit a revised Bed Complement Chart.

**RESPONSE:** Yes, VUMC did add four (4) psychiatric beds to VPH through the 10% exemption provision. These beds were added to the VUMC license in September 2017, increasing VUMC's total license bed count to 1,029. The additional 68 ICU beds have not been implemented yet. The chart included in the application was correct but is also provided below.

|   | <u>Current<br/>Licensed</u> | <u>Beds<br/>Staffed</u> | <u>Beds<br/>Proposed</u> | <u>*Beds<br/>Approved</u> | <u>**Beds<br/>Exempted</u> | <u>TOTAL Beds at<br/>Completion</u> |
|---|-----------------------------|-------------------------|--------------------------|---------------------------|----------------------------|-------------------------------------|
| 1) Medical  | 252                         | 241                     | -                        | 61                        | -                          | 313                                 |
| 2) Surgical   | 145                         | 145                     | -                        | -                         | -                          | 145                                 |
| 3) ICU/CCU (includes PICU)  | 265                         | 265                     | -                        | 28                        | 68                         | 361                                 |
| 4) Obstetrical  | 50                          | 50                      | -                        | 23                        | -                          | 73                                  |
| 5) NICU   | 96                          | 96                      | -                        | 22                        | -                          | 118                                 |
| 6) Pediatric  | 129                         | 129                     | -                        | -                         | -                          | 129                                 |
| 7) Adult Psychiatric  | 64                          | 64                      | 14                       | -                         | -                          | 78                                  |
| 8) Geriatric Psychiatric  | -                           | -                       | -                        | -                         | -                          | -                                   |
| 9) Child/Adolescent Psychiatric                                   | 28                          | 28                      | -                        | -                         | -                          | 28                                  |
| 10) Rehabilitation  | -                           | -                       | -                        | -                         | -                          | -                                   |
| 11) Adult Chemical Dependency                                     | -                           | -                       | -                        | -                         | -                          | -                                   |
| 12) Child/Adolescent Chemical Dependency                          | -                           | -                       | -                        | -                         | -                          | -                                   |
| 13) Long-Term Care Hospital                                       | -                           | -                       | -                        | -                         | -                          | -                                   |
| 14) Swing Beds  | -                           | -                       | -                        | -                         | -                          | -                                   |
| 15) Nursing Home – SNF (Medicare only)                            | -                           | -                       | -                        | -                         | -                          | -                                   |
| 16) Nursing Home – NF (Medicaid only)                             | -                           | -                       | -                        | -                         | -                          | -                                   |
| 17) Nursing Home – SNF/NF (dually certified<br>Medicare/Medicaid) | -                           | -                       | -                        | -                         | -                          | -                                   |
| 18) Nursing Home – Licensed (non-certified)                       | -                           | -                       | -                        | -                         | -                          | -                                   |
| 19) ICF/IID   | -                           | -                       | -                        | -                         | -                          | -                                   |
| 20) Residential Hospice   | -                           | -                       | -                        | -                         | -                          | -                                   |
| <b>TOTAL</b>  | <b>1,029</b>                | <b>1,018</b>            | <b>14</b>                | <b>134</b>                | <b>68</b>                  | <b>1,245</b>                        |

**5. Section A, Project Details, Item 12. Square Footage and Cost Per Square Footage**

Please explain why the estimated cost per square foot is so far above the 3<sup>rd</sup> quartile of previously approved projects?

**RESPONSE:** The cost/sf of this project is influenced by several factors, including the addition of some deferred maintenance items, increased construction cost based on current market, access on a tight urban campus, and the relatively small area of renovation.

The deferred maintenance items include new windows, roof repair or replacement, and replacement of an old HVAC system that will serve the new IP unit, as well as adjacent space. Since the published 3<sup>rd</sup> quartile costs/sf from 2014-2016, the Nashville market has experienced a significant increase in construction costs due to shortages of skilled labor and demand of material productions. According to the *Turner Building Cost Index*, which measures costs in

the non-residential building construction market in the U.S., construction costs nationwide increased an average of 4.4%, 4.5%, and 4.7% respectively for years 2014-2016. Similarly, there has been a yearly increase from 4<sup>th</sup> quarter 2016 of another 5.17%. Furthermore, this is an average across the nation and may not fully reflect the unique market in Nashville.

Construction costs for this project are also influenced by the limitations of the physical site. Vanderbilt Psychiatric Hospital is situated on an urban campus with limited room for staging, and the renovation area is within a secure facility located directly above an occupied IP unit. From our experience, restrictions on access and working hours has an impact on labor costs and the General Conditions cost within the construction budget.

Lastly, the proposed unit is inclusive of all required program elements, but it has a relatively small footprint of 6,000 gsf. The combination of deferred maintenance items and overall higher construction costs are spread across this small area, which results in a higher than average cost per square foot.

**6. Section B, Need, Item I.a. (Psychiatric Inpatient Services-Service Specific Criteria-) 1.**

Your response to this criterion is noted. Please expand this chart so that the net need/surplus is displayed by service area county.

**RESPONSE:** Please see the updated chart below with the net need/ surplus by county based on 2018 adult (ages 18-64) population.

| Service Area County | 2018<br>Population<br>(Ages 18-64) | Need<br>(30 beds/100,000<br>Population) | Current<br>Licensed<br>Beds<br>(Licensed Beds<br>Reflect the<br>Facility Located<br>in the County) | Net/<br>Surplus |
|---------------------|------------------------------------|---|--|-----------------|
| Bedford             | 29,590                             | 9                                       | -  | (9)             |
| Cannon              | 8,765                              | 3                                       | -  | (3)             |
| Cheatham            | 25,634                             | 8                                       | -  | (8)             |
| Clay                | 4,305                              | 1                                       | -  | (1)             |
| Coffee              | 32,793                             | 10                                      | -  | (10)            |
| Cumberland          | 31,522                             | 9                                       | -  | (9)             |
| Davidson            | 446,464                            | 134                                     | 555  | 421             |
| DeKalb              | 11,530                             | 3                                       | -  | (3)             |
| Dickson             | 32,883                             | 10                                      | -  | (10)            |
| Fentress            | 10,704                             | 3                                       | -  | (3)             |
| Franklin            | 24,642                             | 7                                       | -  | (7)             |
| Giles               | 17,642                             | 5                                       | -  | (5)             |
| Grundy              | 7,688                              | 2                                       | -  | (2)             |
| Hickman             | 16,636                             | 5                                       | -  | (5)             |
| Houston             | 5,054                              | 2                                       | -  | (2)             |
| Humphreys           | 10,930                             | 3                                       | -  | (3)             |
| Jackson             | 7,118                              | 2                                       | -  | (2)             |
| Lawrence            | 24,611                             | 7                                       | -  | (7)             |
| Lewis               | 7,339                              | 2                                       | -  | (2)             |
| Lincoln             | 20,209                             | 6                                       | -  | (6)             |
| Macon               | 14,004                             | 4                                       | -  | (4)             |
| Marshall            | 20,110                             | 6                                       | -  | (6)             |
| Maury               | 53,507                             | 16                                      | -  | (16)            |
| Montgomery          | 129,229                            | 39                                      | -  | (39)            |
| Moore               | 4,028                              | 1                                       | -  | (1)             |
| Overton             | 13,580                             | 4                                       | -  | (4)             |
| Perry               | 4,607                              | 1                                       | -  | (1)             |
| Pickett             | 2,716                              | 1                                       | -  | (1)             |
| Putnam              | 49,484                             | 15                                      | 32   | 17              |
| Robertson           | 45,676                             | 14                                      | -  | (14)            |
| Rutherford          | 212,094                            | 64                                      | 44   | (20)            |
| Smith               | 12,315                             | 4                                       | -  | (4)             |
| Stewart             | 8,273                              | 2                                       | -  | (2)             |
| Sumner              | 111,155                            | 33                                      | -  | (33)            |
| Trousdale           | 5,194                              | 2                                       | -  | (2)             |
| Van Buren           | 3,217                              | 1                                       | -  | (1)             |
| Warren              | 23,793                             | 7                                       | -  | (7)             |
| Wayne               | 11,071                             | 3                                       | -  | (3)             |
| White               | 15,976                             | 5                                       | -  | (5)             |
| Williamson          | 137,142                            | 41                                      | 70   | 29              |
| Wilson              | 81,047                             | 24                                      | 49   | 25              |
| Service Area Total  | 1,734,277                          | 520                                     | 750  | 230             |



**7. Section B, Need, Item I.a. (Psychiatric Inpatient Services-Service Specific Criteria-) 9-Relationship to Existing Similar Services in the Area**

Please discuss the expected degree of projected financial participation in the Medicare and TennCare programs.

Please provide a response to the following criterion:

*Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall also include how the applicant's services may differ from existing services (e.g., specialized treatment of an age-limited group, acceptance of involuntary admissions, and differentiation by payor mix). Accessibility to specific special need groups shall also be discussed in the application.*

**RESPONSE:** The facilities with psychiatric beds and this historical utilization of each are set forth in the chart of page 28 of the original application and in the chart provided in response to question 11 below. VPH treats all types of psychiatric patients, including those involuntarily admitted. VPH is uniquely positioned to treat patients with comorbid and complex diagnoses who require consultation and interventions from specialists not available at other behavioral health facilities.

VPH serves the Medicare, TennCare and indigent population. In FY17, approximately 24% of VPH's patients were Medicare and 40% of VPH's patients were TennCare and indigent population. The projected payor mix for the additional 14 beds is provided in the chart under item 7 on page 43 of the original application. It is also worth noting that VPH's TennCare population has increased by 18% since FY15 and out-of-state Medicaid discharges have more than doubled.

**8. Section B, Need, Item I.a. (Psychiatric Inpatient Services-Service Specific Criteria-)**

Does the applicant have letters of support from providers detailing instances of unmet need for psychiatric inpatient services?

**RESPONSE:** VPH anticipates submitting letters of support for this project prior to the hearing.

**9. Section B, Need, Item I.a. (Psychiatric Inpatient Services-Service Specific Criteria-) 11-Licensure and Quality Considerations**

Your response to this item is noted. Please respond to these parts of the criterion.

*Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LBGT population).*

**RESPONSE:** As part of VUMC, VPH employees are provided various educational experiences to help deepen the understanding of unique cultural and diversity of patients. During the admissions process, VPH strives to meet individual patient needs, including gender, age, and

cultural experience. Examples of such resources include an application called "Quality Interactions" which allow staff immediate access to cultural specific value sets, belief systems and culturally sensitive patient care considerations as well as numerous resources through interpretive services. VPH also engages with the Vanderbilt Program for LGBTI Health, which includes a Trans-Buddy service. This program has earned national ranking and VUMC has received a 100% rating on the Human Rights Campaign's Equality Index for the last six (6) years. The privacy needs of transgender patients are individualized based on the needs and preferences of the patient in coordination with the entire treatment team.

**10. Section B. Need. Item D.1 Service Area Demographics**

What years are the Current Year and Projected Year? The current Year should be 2018 and the Projected Year should be the expected first year of the proposed project.

Please make the necessary changes and submit a revised demographic table.

**RESPONSE:** Please see the updated population chart below for the current year 2018 and the projected year 2020.

| Demographic<br>Variable/Geographic<br>Area | Department of Health/Health Statistics |  |                              |                                     |  |                                |  |                 | Bureau of the Census            |                               |   |                                       |   | TennCare |  |
|--|--|--|------------------------------|-------------------------------------|--|--------------------------------|--|-----------------|---------------------------------|-------------------------------|---|---------------------------------------|---|----------|--|
|  | Total Population-<br>Current Year 2018 | Total Population-<br>Projected Year 2020 | Total Population-%<br>Change | *Target Population-<br>Current Year | *Target Population-<br>Projected Year 2020 | *Target Population-%<br>Change | Target Population<br>Projected Year as %<br>of Total | Median Age 2016 | Median Household<br>Income 2016 | Person Below Poverty<br>Level | Person Below Poverty<br>Level as % of Total | TennCare Enrollees -<br>November 2017 | TennCare Enrollees as<br>% of Total (Nov. 2017<br>TennCare enrollees as<br>% of 2016 Total<br>Population) |          |  |
| Bedford                                    | 50,860                                 | 51,961                                   | 2%                           | 29,590                              | 29,964                                     | 1%                             | 58%  | 36.9            | \$ 43,819                       | 7,423                         | 15%   | 12,848                                | 25%   |          |  |
| Cannon                                     | 14,658                                 | 14,838                                   | 1%                           | 8,765                               | 8,769                                      | 0%                             | 59%  | 42.1            | \$ 43,654                       | 2,208                         | 15%   | 3,199                                 | 22%   |          |  |
| Cheatham                                   | 41,269                                 | 41,692                                   | 1%                           | 25,634                              | 25,542                                     | 0%                             | 61%  | 40.2            | \$ 53,179                       | 5,061                         | 12%   | 7,245                                 | 18%   |          |  |
| Clay                                       | 7,876                                  | 7,875                                    | 0%                           | 4,305                               | 4,203                                      | -2%                            | 53%  | 47.4            | \$ 28,147                       | 1,904                         | 24%   | 2,154                                 | 27%   |          |  |
| Coffee                                     | 56,909                                 | 57,865                                   | 2%                           | 32,793                              | 32,961                                     | 1%                             | 57%  | 40.1            | \$ 45,456                       | 8,437                         | 15%   | 13,787                                | 24%   |          |  |
| Cumberland                                 | 63,778                                 | 65,575                                   | 3%                           | 31,522                              | 31,702                                     | 1%                             | 48%  | 50.1            | \$ 40,123                       | 9,075                         | 14%   | 12,809                                | 20%   |          |  |
| Davidson                                   | 698,061                                | 714,756                                  | 2%                           | 446,464                             | 450,795                                    | 1%                             | 63%  | 34.2            | \$ 50,484                       | 114,238                       | 16%   | 142,702                               | 20%   |          |  |
| DeKalb                                     | 19,936                                 | 20,206                                   | 1%                           | 11,530                              | 11,511                                     | 0%                             | 57%  | 40.9            | \$ 37,640                       | 4,152                         | 21%   | 5,270                                 | 26%   |          |  |
| Dickson                                    | 54,959                                 | 56,210                                   | 2%                           | 32,883                              | 33,270                                     | 1%                             | 59%  | 40              | \$ 47,137                       | 8,019                         | 15%   | 11,110                                | 20%   |          |  |
| Fentress                                   | 19,082                                 | 19,309                                   | 1%                           | 10,704                              | 10,653                                     | 0%                             | 55%  | 44.3            | \$ 31,714                       | 4,107                         | 22%   | 6,048                                 | 32%   |          |  |
| Franklin                                   | 42,395                                 | 42,681                                   | 1%                           | 24,642                              | 24,551                                     | 0%                             | 58%  | 41.9            | \$ 44,837                       | 6,397                         | 15%   | 8,003                                 | 19%   |          |  |
| Giles                                      | 30,492                                 | 30,691                                   | 1%                           | 17,642                              | 17,440                                     | -1%                            | 57%  | 42.9            | \$ 40,635                       | 4,721                         | 15%   | 6,514                                 | 21%   |          |  |
| Grundy                                     | 14,040                                 | 14,088                                   | 0%                           | 7,688                               | 7,529                                      | -2%                            | 53%  | 43              | \$ 28,467                       | 3,718                         | 26%   | 4,565                                 | 33%   |          |  |
| Hickman                                    | 26,876                                 | 27,363                                   | 2%                           | 16,636                              | 16,743                                     | 1%                             | 61%  | 40.4            | \$ 37,546                       | 5,181                         | 19%   | 6,116                                 | 23%   |          |  |
| Houston                                    | 9,014                                  | 9,157                                    | 2%                           | 5,054                               | 5,076                                      | 0%                             | 55%  | 43.5            | \$ 40,680                       | 1,672                         | 19%   | 2,000                                 | 22%   |          |  |
| Humphreys                                  | 19,090                                 | 19,185                                   | 0%                           | 10,930                              | 10,833                                     | -1%                            | 56%  | 41.7            | \$ 40,995                       | 3,308                         | 17%   | 4,483                                 | 23%   |          |  |
| Jackson                                    | 12,251                                 | 12,375                                   | 1%                           | 7,118                               | 7,075                                      | -1%                            | 57%  | 46.1            | \$ 32,676                       | 2,835                         | 23%   | 2,944                                 | 24%   |          |  |
| Lawrence                                   | 43,518                                 | 43,849                                   | 1%                           | 24,611                              | 24,514                                     | 0%                             | 56%  | 39.9            | \$ 40,457                       | 8,136                         | 19%   | 10,850                                | 25%   |          |  |
| Lewis                                      | 12,912                                 | 13,072                                   | 1%                           | 7,339                               | 7,321                                      | 0%                             | 56%  | 43.6            | \$ 36,920                       | 2,384                         | 18%   | 3,010                                 | 23%   |          |  |
| Lincoln                                    | 35,104                                 | 35,469                                   | 1%                           | 20,209                              | 20,142                                     | 0%                             | 57%  | 42.9            | \$ 41,038                       | 6,123                         | 17%   | 7,672                                 | 22%   |          |  |
| Macon                                      | 23,838                                 | 24,202                                   | 2%                           | 14,004                              | 14,045                                     | 0%                             | 58%  | 39.6            | \$ 34,098                       | 4,167                         | 17%   | 6,886                                 | 29%   |          |  |
| Marshall                                   | 33,885                                 | 34,648                                   | 2%                           | 20,110                              | 20,267                                     | 1%                             | 58%  | 39.6            | \$ 44,900                       | 4,655                         | 14%   | 6,948                                 | 21%   |          |  |
| Maury                                      | 90,666                                 | 92,944                                   | 3%                           | 53,507                              | 53,890                                     | 1%                             | 58%  | 39.1            | \$ 49,597                       | 12,413                        | 14%   | 18,704                                | 21%   |          |  |
| Montgomery                                 | 211,602                                | 221,620                                  | 5%                           | 129,229                             | 133,731                                    | 3%                             | 60%  | 30.3            | \$ 51,528                       | 28,232                        | 13%   | 37,175                                | 18%   |          |  |
| Moore                                      | 6,923                                  | 7,056                                    | 2%                           | 4,028                               | 4,050                                      | 1%                             | 57%  | 46.5            | \$ 49,496                       | 644                           | 9%  | 841                                   | 12%   |          |  |
| Overton                                    | 23,885                                 | 24,291                                   | 2%                           | 13,580                              | 13,582                                     | 0%                             | 56%  | 42.6            | \$ 35,065                       | 4,340                         | 18%   | 5,162                                 | 22%   |          |  |
| Perry                                      | 8,362                                  | 8,466                                    | 1%                           | 4,607                               | 4,585                                      | 0%                             | 54%  | 43.3            | \$ 31,274                       | 2,216                         | 27%   | 2,084                                 | 25%   |          |  |
| Pickett                                    | 5,237                                  | 5,264                                    | 1%                           | 2,716                               | 2,712                                      | 0%                             | 52%  | 49.8            | \$ 39,014                       | 827                           | 16%   | 1,092                                 | 21%   |          |  |
| Putnam                                     | 81,972                                 | 84,087                                   | 3%                           | 49,484                              | 50,051                                     | 1%                             | 60%  | 36.1            | \$ 36,350                       | 17,180                        | 21%   | 17,516                                | 21%   |          |  |
| Robertson                                  | 76,231                                 | 78,659                                   | 3%                           | 45,676                              | 46,531                                     | 2%                             | 59%  | 38.5            | \$ 56,331                       | 7,067                         | 9%  | 13,634                                | 18%   |          |  |
| Rutherford                                 | 332,411                                | 350,488                                  | 5%                           | 212,094                             | 221,802                                    | 5%                             | 63%  | 32.9            | \$ 58,032                       | 35,764                        | 11%   | 51,882                                | 16%   |          |  |
| Smith                                      | 20,534                                 | 20,833                                   | 1%                           | 12,315                              | 12,363                                     | 0%                             | 59%  | 41.2            | \$ 44,272                       | 3,050                         | 15%   | 4,374                                 | 21%   |          |  |
| Stewart                                    | 14,210                                 | 14,402                                   | 1%                           | 8,273                               | 8,261                                      | 0%                             | 57%  | 43.4            | \$ 41,835                       | 2,520                         | 18%   | 3,120                                 | 22%   |          |  |
| Sumner                                     | 184,532                                | 190,261                                  | 3%                           | 111,155                             | 113,567                                    | 2%                             | 60%  | 39.5            | \$ 58,972                       | 16,543                        | 9%  | 29,330                                | 16%   |          |  |
| Trousdale                                  | 8,564                                  | 8,739                                    | 2%                           | 5,194                               | 5,244                                      | 1%                             | 60%  | 39              | \$ 47,667                       | 1,043                         | 12%   | 2,093                                 | 24%   |          |  |
| Van Buren                                  | 5,668                                  | 5,686                                    | 0%                           | 3,217                               | 3,140                                      | -2%                            | 55%  | 45.8            | \$ 42,813                       | 1058                          | 19%   | 1,372                                 | 24%   |          |  |
| Warren                                     | 41,167                                 | 41,446                                   | 1%                           | 23,793                              | 23,676                                     | 0%                             | 57%  | 39.9            | \$ 36,245                       | 8,158                         | 20%   | 11,395                                | 28%   |          |  |
| Wayne                                      | 17,551                                 | 17,642                                   | 1%                           | 11,071                              | 11,091                                     | 0%                             | 63%  | 41.9            | \$ 34,008                       | 2,796                         | 16%   | 3,326                                 | 19%   |          |  |
| White                                      | 28,037                                 | 28,541                                   | 2%                           | 15,976                              | 16,064                                     | 1%                             | 56%  | 43.5            | \$ 35,989                       | 4,662                         | 17%   | 7,301                                 | 26%   |          |  |
| Williamson                                 | 225,526                                | 241,597                                  | 7%                           | 137,142                             | 146,504                                    | 7%                             | 61%  | 39              | \$ 100,140                      | 10,547                        | 5%  | 12,650                                | 6%  |          |  |
| Wilson                                     | 133,865                                | 138,561                                  | 4%                           | 81,047                              | 83,201                                     | 3%                             | 60%  | 40.3            | \$ 63,426                       | 11,266                        | 8%  | 19,477                                | 15%   |          |  |
| Service Area Total                         | 2,847,746                              | 2,937,650                                | 3%                           | 1,734,277                           | 1,768,951                                  | 2%                             | 60%  | 41.3            | \$ 43,821                       | 388,247                       | 14%   | 529,691                               | 19%   |          |  |
| State of TN Total                          | 6,960,524                              | 7,112,424                                | 2%                           | 4,191,227                           | 4,229,006                                  | 1%                             | 59%  | 38.5            | \$ 46,574                       | 1,100,169                     | 16%   | 1,461,291                             | 21%   |          |  |

# 11. Section B. Need. Item E. Service Area Utilization

Your response to this item is noted. Please add a table with the Licensed Bed, Admission, and Patient Day information, adding a column for each section that displays the % change between 2014 and 2016.

**RESPONSE:** Please see the updated chart below with the requested information.

| County      | Facility Name  | Licensed Beds |      |       |          | Total Inpatient Admissions |        |        |          | Total Inpatient Days |         |         |          |
|-------------|--|---------------|------|-------|----------|----------------------------|--------|--------|----------|----------------------|---------|---------|----------|
|             |  | 2014          | 2015 | 2016  | % Change | 2014                       | 2015   | 2016   | % Change | 2014                 | 2015    | 2016    | % Change |
| Cannon      | Saint Thomas Stones River Hospital, LLC.                 | 22            | 22   | 22    | 0%       | 236                        | 270    | 271    | 14.8%    | 2,933                | 3,675   | 3,458   | 17.9%    |
| Clay        | Cumberland River Hospital                                | 8             | 8    | 8     | 0%       | 100                        | 139    | 161    | 61.0%    | 1,158                | 1,178   | 1,474   | 27.3%    |
|             | Middle Tennessee Mental Health Institute                 | 207           | 207  | 300   | 45%      | 3,642                      | 3,702  | 3,818  | 4.8%     | 64,670               | 66,218  | 63,585  | -1.7%    |
|             | Saint Thomas West Hospital                               | 23            | 22   | 22    | -4%      | 275                        | 189    | 160    | -41.8%   | 4,584                | 3,691   | 3,541   | -22.8%   |
|             | IrisStar Centennial Medical Center                       | 132           | 132  | 132   | 0%       | 4,356                      | 3,104  | 2,031  | -53.4%   | 39,516               | 31,350  | 24,345  | -38.4%   |
|             | IrisStar Skyline Madison Campus                          | 121           | 121  | 152   | 26%      | 3,571                      | 3,871  | 3,476  | -2.7%    | 29,816               | 29,116  | 23,925  | -19.8%   |
| Davidson    | Vanderbilt University Medical Center                     | 88            | 88   | 88    | 0%       | 3,646                      | 3,688  | 3,770  | 3.4%     | 28,258               | 27,324  | 27,520  | -2.6%    |
| Fentress    | Tennova Healthcare Jamestown                             | 10            | 10   | 10    | 0%       | 0                          | 0      | 171    | -        | 2,146                | 1,882   | 1,635   | -23.8%   |
| Franklin    | Southern Tennessee Regional Health System - Winchester   | 12            | 12   | 12    | 0%       | 228                        | 251    | 198    | -13.2%   | 3,613                | 3,222   | 3,295   | -8.8%    |
| Giles       | Southern Tennessee Regional Health System Pulaski        | 14            | 14   | 14    | 0%       | 181                        | 170    | 175    | -3.3%    | 2,470                | 2,584   | 2,477   | 0.3%     |
| Lincoln     | Lincoln Medical Center                                   | 10            | 10   | 0     | -100%    | 184                        | 141    | 0      | -100.0%  | 2,709                | 2,096   | 0       | -100.0%  |
| Maury       | Behavioral Healthcare Center at Columbia                 | 16            | 16   | 16    | 0%       | 32                         | 20     | 330    | 931.3%   | 326                  | 361     | 3,606   | 1006.1%  |
| Montgomery  | Behavioral Healthcare Center at Clarksville              | 26            | 26   | 26    | 0%       | 321                        | 275    | 303    | -5.6%    | 5,213                | 4,109   | 5,433   | 4.2%     |
| Overton     | Livingston Regional Hospital                             | 10            | 10   | 10    | 0%       | 226                        | 198    | 240    | 6.2%     | 2,776                | 3,101   | 2,806   | 1.1%     |
| Perry       | Perry Community Hospital                                 | 14            | 14   | 14    | 0%       | 194                        | 157    | 192    | -1.0%    | 2,278                | 1,869   | 2,284   | 0.3%     |
| Pulham      | Cookeville Regional Medical Center/ Ten Broeck Tennessee | 32            | 32   | 32    | 0%       | 879                        | 998    | 1,169  | 33.0%    | 5,060                | 5,770   | 7,181   | 41.9%    |
| Rutherford  | Trustpoint Hospital                                      | 59            | 72   | 72    | 22%      | 1,861                      | 2,139  | 2,705  | 45.4%    | 14,959               | 19,710  | 24,237  | 62.0%    |
| Smith       | Riverview Regional Medical Center South                  | 10            | 10   | 10    | 0%       | 200                        | 194    | 170    | -15.0%   | 2,625                | 2,560   | 2,630   | 0.2%     |
| Sumner      | Sumner Regional Medical Center                           | 12            | 12   | 12    | 0%       | 137                        | 132    | 155    | 13.1%    | 3,018                | 3,323   | 2,749   | -8.9%    |
| Warren      | Saint Thomas River Park Hospital                         | 0             | 10   | 10    | -        | 0                          | 78     | 142    | -        | 0                    | 78      | 1,508   | -        |
| White       | Saint Thomas Highlands Hospital, LLC                     | 10            | 10   | 10    | 0%       | 220                        | 277    | 271    | 23.2%    | 2,821                | 3,080   | 3,069   | 8.8%     |
| Williamson  | Rolling Hills Hospital Behavioral Health Care            | 85            | 85   | 120   | 41%      | 3,162                      | 3,191  | 3,901  | 23.4%    | 24,490               | 25,078  | 30,377  | 24.0%    |
| Wilson      | McFarland Specialty Hospital                             | 49            | 49   | 49    | 0%       | 858                        | 4      | 622    | -27.5%   | 6,889                | 815     | 5,083   | -26.9%   |
| Grand Total |  | 970           | 992  | 1,141 | 18%      | 24,509                     | 23,188 | 24,431 | -0.3%    | 252,328              | 242,190 | 246,168 | -2.4%    |

## 12. Section B. Need. Item F. Applicant

Please submit two charts similar to the one provided: one specific to child/adolescent beds and one specific to adult/geriatric beds.

**RESPONSE:** Please see the updated chart below with the requested information.

| ADULT/GERIATRIC | FY15   | FY16   | FY17   | Y1     | Y2     |
|-----------------|--------|--------|--------|--------|--------|
| Beds            | 62     | 62     | 62     | 78     | 78     |
| Discharges      | 2,747  | 2,826  | 2,962  | 3,473  | 3,494  |
| Days            | 19,432 | 19,172 | 20,619 | 24,612 | 24,777 |
| Occupancy       | 86%    | 84%    | 91%    | 86%    | 87%    |
| ALOS            | 7.07   | 6.78   | 6.96   | 7.09   | 7.09   |

| CHILD/ADOLESCENT | FY15  | FY16  | FY17  | Y1    | Y2    |
|------------------|-------|-------|-------|-------|-------|
| Beds             | 26    | 26    | 26    | 28    | 28    |
| Discharges       | 941   | 944   | 908   | 995   | 995   |
| Days             | 7,892 | 8,348 | 8,702 | 8,891 | 8,891 |
| Occupancy        | 83%   | 88%   | 91%   | 87%   | 87%   |
| ALOS             | 8.39  | 8.84  | 9.58  | 8.94  | 8.94  |

## 13. Section B. Economic Feasibility Item D. (Historical Data Chart-VPH)

Please explain why net income declined from \$2,539,328 in 2016 to \$(4,543,262) in 2017.

**RESPONSE:** FY17 decrease in net income experienced at VPH is due to the changes in payor mix, as well as the increase costs associated with opening the Vanderbilt Psychiatric Assessment Services (PAS) and the increase in overhead costs allocated to VPH since VUMC separated from Vanderbilt University.

**14. Section B. Economic Feasibility Item E.1)**

There appear to be calculation errors in the FY 2016 and FY 2017 columns. Please make the necessary changes and submit a replacement page.

**RESPONSE:** Please see the updated chart below.

|   | Previous<br>Year<br>FY2016 | Current<br>Year<br>FY2017 | Year One<br>FY2020  | Year Two<br>FY2021  | % Change<br>(Current Year<br>to Year 2) |
|---|----------------------------|---------------------------|---------------------|---------------------|---|
| <b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )       | \$2,934 Per<br>Diem        | \$3,166<br>Per Diem       | \$3,268 Per<br>Diem | \$3,301<br>Per Diem | 4.3%                                    |
| <b>Deduction from Revenue</b><br>( <i>Total Deductions/Utilization Data</i> ) | \$1,857<br>Per Diem        | \$2,241<br>Per Diem       | \$2,361 Per<br>Diem | \$2,393<br>Per Diem | 6.8%                                    |
| <b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )   | \$1,077<br>Per Diem        | \$925 Per<br>Diem         | \$907 Per<br>Diem   | \$908 Per<br>Diem   | (1.8%)                                  |

**15. Section B. Economic Feasibility Item E.3)**

Using data from pages 38 and 39 of the Hospital JAR expand the table that currently only includes TriStar Maury Regional Behavioral Health to include all inpatient psychiatric providers in the service area.

**RESPONSE:** Please see the chart below populated based on Schedule H of the most recent Joint Annual Report for Hospitals in the service area.

| Facility Name  | Government    |                       |                     | Non Government |                       |                     | Total          |                       |                     |
|--|---------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|-----------------------|---------------------|
|  | Gross Charges | Adjustment to Charges | Net Patient Revenue | Gross Charges  | Adjustment to Charges | Net Patient Revenue | Gross Charges  | Adjustment to Charges | Net Patient Revenue |
| Behavioral Healthcare Center at Clarksville              | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Behavioral Healthcare Center at Columbia                 | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Cookeville Regional Medical Center/ Ten Broeck Tennessee | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Cumberland River Hospital                                | \$ 3,447      | \$ 1,673              | \$ 3,447            | \$ -           | \$ 927                | \$ 1,420            | \$ 3,447       | \$ 2,600              | \$ 4,867            |
| Lincoln Medical Center                                   | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Livingston Regional Hospital                             | \$ 10,148,420 | \$ 8,007,846          | \$ 2,140,574        | \$ 110,336     | \$ 106,538            | \$ 3,798            | \$ 10,258,756  | \$ 8,114,384          | \$ 2,144,372        |
| McFarland Specialty Hospital                             | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Middle Tennessee Mental Health Institute                 | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Perry Community Hospital                                 | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Riverview Regional Medical Center South                  | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Rolling Hills Hospital Behavioral Health Care            | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Saint Thomas Highlands Hospital, LLC                     | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Saint Thomas River Park Hospital                         | \$ 2,614,575  | \$ 1,621,037          | \$ 993,538          | \$ 40,825      | \$ 25,312             | \$ 15,513           | \$ 2,655,400   | \$ 1,646,349          | \$ 1,009,051        |
| Saint Thomas Stones River Hospital, LLC                  | \$ 5,702,565  | \$ 2,807,437          | \$ 2,895,128        | \$ 106,838     | \$ 37,041             | \$ 69,797           | \$ 5,809,403   | \$ 2,844,478          | \$ 2,964,925        |
| Saint Thomas West Hospital                               | \$ 9,002,465  | \$ 6,819,052          | \$ 2,183,413        | \$ 159,419     | \$ 125,124            | \$ 34,295           | \$ 9,161,884   | \$ 6,944,176          | \$ 2,217,708        |
| Southern Tennessee Regional Health System - Winchester   | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Southern Tennessee Regional Health System Pulaski        | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Sumner Regional Medical Center                           | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| Tennova Healthcare Jamestown                             | \$ -          | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                | \$ -           | \$ -                  | \$ -                |
| TriStar Centennial Medical Center                        | \$ 98,418,183 | \$ 81,198,925         | \$ 17,219,258       | \$ 24,687,974  | \$ 16,793,220         | \$ 7,894,754        | \$ 123,106,157 | \$ 97,992,145         | \$ 25,114,012       |
| TriStar Skyline Madison Campus                           | \$ 90,384,778 | \$ 76,034,060         | \$ 14,350,718       | \$ 28,507,943  | \$ 19,967,460         | \$ 8,540,483        | \$ 118,892,721 | \$ 96,001,520         | \$ 22,891,201       |
| Trustpoint Hospital                                      | \$ 29,067,921 | \$ 15,151,863         | \$ 13,916,058       | \$ 9,527,659   | \$ 3,437,482          | \$ 6,090,177        | \$ 38,595,580  | \$ 18,589,345         | \$ 20,006,235       |
| Vanderbilt University Medical Center                     | \$ 41,721,511 | \$ 30,353,853         | \$ 11,367,658       | \$ 38,286,119  | \$ 22,459,136         | \$ 15,826,983       | \$ 80,007,630  | \$ 52,812,989         | \$ 27,194,641       |

**16. Section B. Economic Feasibility Item F.2) Net Operating Margin Ratio**

There appears to be errors in all columns in the calculation of the Net Operating Margin Ratio. Please make the necessary corrections and submit a replacement page.

**RESPONSE:** Please see the updated chart below.

| Year                       | 2 <sup>nd</sup> Year previous to Current Year | 1 <sup>st</sup> Year previous to Current Year | Current Year | Projected Year 1 | Projected Year 2 |
|----------------------------|---|---|--------------|------------------|------------------|
| Net Operating Margin Ratio | 13.2%   | 10.5%   | -14.2%       | 15.4%            | 15.3%            |

**17. Section B. Economic Feasibility Item F.3) Capitalization Ratio**

The June 30, 2017 data used to calculate the Capitalization Ratio appear to be different then the data found on the Consolidated Financial Statement.

Please explain.

**RESPONSE:** In reviewing the application, it appears that the 2016 information was inadvertently included for the Capitalization Ratio instead of the 2017. Please find the updated information below. In addition, please note that the capitalization ratio is based on the reporting definition used for the publicly available continuing disclosure agreements documents, which is slightly different than the audited statement, as per footnote (1).

Please find Capitalization Ratio provided below for June 30, 2017 (\$ in thousands).

|                         |             |
|-------------------------|-------------|
| Long Term Debt (1)      | \$1,199,515 |
| Unrestricted Net Assets | \$ 713,979  |
| Total Capitalization    | \$1,913,494 |

Ratio of Long-Term Debt to Capitalization (%) 62.7%

(1) Total outstanding long term debt, including current maturities, excluding the Subordinate Promissory Note from VU.

**18. Section B, Orderly Development, Item B. 2) Negative Effects**

Please explain in more detail why the applicant believes that the addition of 14 adult psychiatric beds will not have a negative impact on other inpatient psychiatric providers in the service area.

**RESPONSE:** The 14 adult beds requested in the application would be an increase of less than 2% of current capacity in the service area, so the additional 14 beds will not have a material effect, if any, on other providers. The nominal effect to providers that may result from the project is more than offset by the clinical benefits to those patients with complex medical comorbidities, who will have an enhanced likelihood of being served at VPH with immediate access to medical specialties and subspecialties on the same campus.

**19. Section B, Orderly Development, Item C. 1) Availability of Human Resources**

Please identify the current number of unfilled positions at VPH and what that represents as a % of total.

**RESPONSE:** As of March 1<sup>st</sup>, VPH has 13 vacant positions which is 4.9% of the total number positions.

**20. Section B, Quality Measures**

Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:

(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:

- (a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;

**RESPONSE:** VPH commits to maintaining a staffing pattern comparable to the staffing chart in the CON application.

- (a) Whether the applicant will obtain and maintain all applicable state licenses in good standing;

**RESPONSE:** As part of VUMC, VPH is licensed by the State of Tennessee, Department of

**Health Facilities; VUMC will maintain its license in good standing.**

- (b) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

**RESPONSE:** VPH is TennCare and Medicare certified and such certifications will be maintained.

- (c) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;

**RESPONSE:** VPH, as part of VUMC, has maintained substantial compliance with applicable federal and state regulation for the last three years.

- (d) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;

**RESPONSE:** VPH has never been decertified.

- (f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.

1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following:

**RESPONSE:** VUMC is accredited by the Joint Commission, and such accreditation will be maintained.

- (p) For Inpatient Psychiatric projects:

1. Whether the applicant has demonstrated appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems and children who need quiet space; proper sleeping and bathing arrangements for all patients), adequate staffing (i.e., that each unit will be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times), and how the proposed staffing plan will lead to quality care of the patient population served by the project;

**RESPONSE:** The philosophical approach to patient centered individualized care at VPH promoting avoidance of restraints and seclusion include core principles of trauma-informed care. Additionally, there are two sensory rooms, one adult and one for children/adolescents, which enables the creation of a calming and therapeutic environment to meet the specific sensory needs of each patient.

2. Whether the applicant has documented its existing or proposed plan for data



reporting, quality improvement, and outcome and process monitoring systems; and

**RESPONSE:** VPH participates in HBIPS, a national quality metric reporting system.

3. Whether an applicant that owns or administers other psychiatric facilities has provided information on satisfactory surveys and quality improvement programs at those facilities.

**RESPONSE:** VPH, as part of VUMC, conducts patient satisfaction surveys through Press Ganey, Inc, for all patients, including inpatients and outpatients, treated at VPH.

# Supplemental #2 (Original)

Vanderbilt University  
Medical Center

CN1803-016

**March 28, 2018**

**9:42 A.M.**

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Vanderbilt University Medical Center

I, C. Wright Pinson, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

C. Wright Pinson  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 28<sup>th</sup> day of March, 2018,  
witness my hand at office in the County of Davidson, State of Tennessee.

Jennifer Hygrel  
NOTARY PUBLIC

My commission expires July 8, 2019.

HF-0043

Revised 7/02



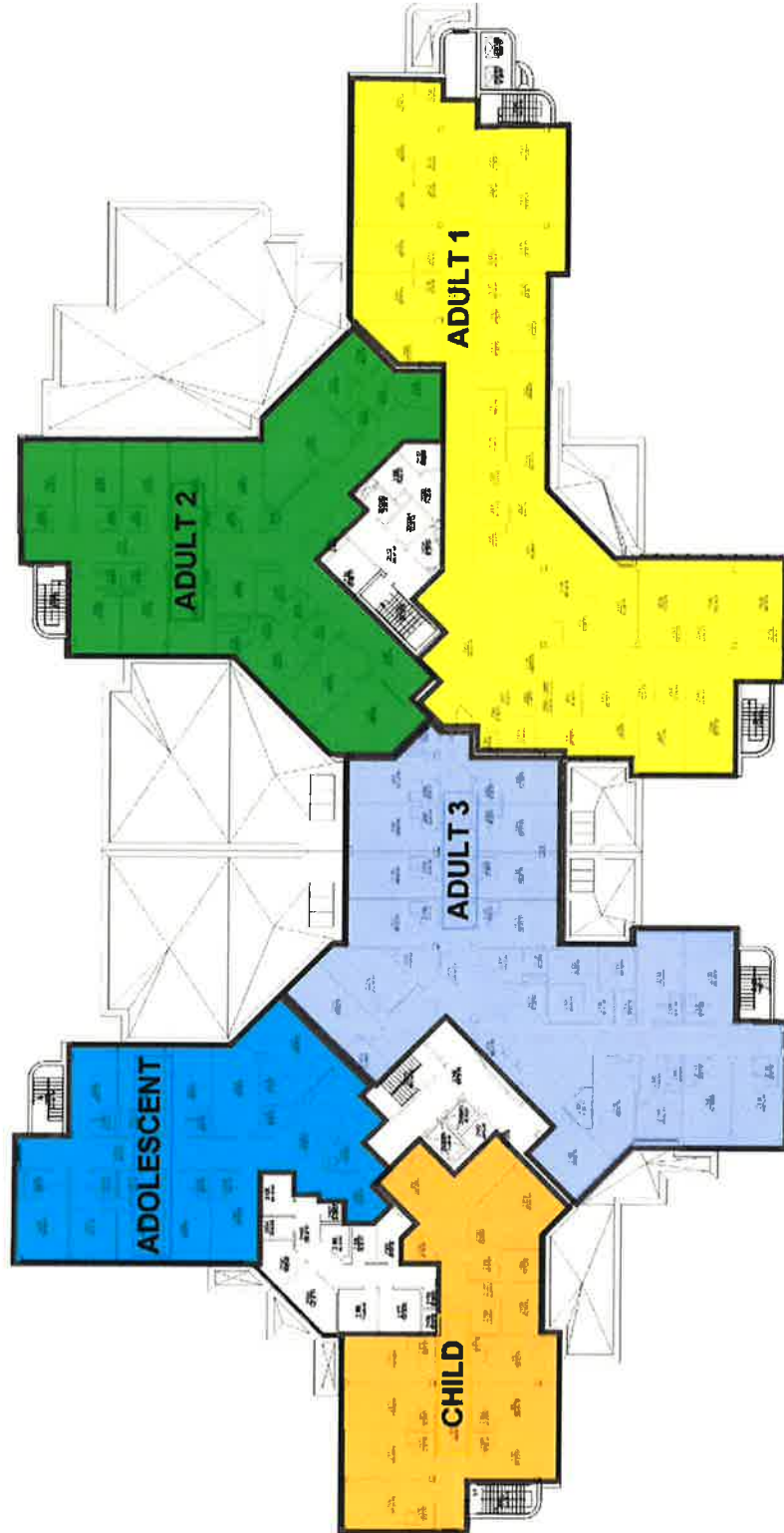
**1. Section A: Project Details Item 6B 2) Floor Plan**

The floor plan provided in the first supplemental response indicates that there are 94 psychiatric beds. The bed complement chart indicates there are 92 psychiatric beds.

Please address this discrepancy.

**RESPONSE:** Please find the corrected floor plan below reflecting the 92 psychiatric beds at VPH.

| Unit / Department | Existing Location | Number of Beds |
|-------------------|-------------------|----------------|
| Child Unit        | VPH 2             | 14             |
| Adolescent Unit   | VPH 2             | 14             |
| Adult 1 Unit      | VPH 2             | 24             |
| Adult 2 Unit      | VPH 2             | 16             |
| Adult 3 Unit      | VPH 2             | 24             |



Graphic Scale  
0 10 20 30 40 50

VANDERBILT UNIVERSITY

Facilities Information Services  
Space & Facilities Planning

**BLDG 136**

**PSYCHIATRIC HOSPITAL**

**2ND FLOOR**  
**1601 23RD AVE S**

Last Export: 06/27/2016

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Report Date: 12/08/2017

## 2. Section B. Economic Feasibility Item E.3)

Your response to this item is noted. Please revise this table to be similar to the table provided in the original application for TriStar Maury Regional Behavioral Health, specifically provide the financial data (gross charges, deductions, and net charges in per "patient day terms." This only needs to be provided for the last three "Total" columns.

It is also unclear why there were such a large number of other hospitals with no information. Review of these JARs indicate there was financial data provided in either the psychiatric bed section or the main financial data section for mental health hospitals on pages 22-26 of the JAR.

**RESPONSE:** In preparing the chart in response to item 15 in the first supplemental questions, we inadvertently omitted the financial information for some providers. The revised chart below contains the per day calculation as requested.

| Facility Name   | Gross Charge | Average Deduction | Average Net Charge |
|---|--------------|-------------------|--------------------|
| Behavioral Healthcare Center at Clarksville               | \$ 884       | \$ 103            | \$ 781             |
| Behavioral Healthcare Center at Columbia                  | \$ 1,124     | \$ 120            | \$ 1,004           |
| Cookeville Regional Medical Center/ 'Ten Broeck Tennessee | \$ 1,579     | \$ 800            | \$ 779             |
| Cumberland River Hospital                                 | \$ 2         | \$ 2              | \$ 1               |
| Livingston Regional Hospital                              | \$ 3,656     | \$ 2,892          | \$ 764             |
| McFarland Specialty Hospital                              | \$ 3,278     | \$ 1,708          | \$ 1,570           |
| Middle Tennessee Mental Health Institute                  | \$ 724       | \$ 594            | \$ 130             |
| Perry Community Hospital                                  | \$ 12,329    | \$ 583            | \$ 11,745          |
| Riverview Regional Medical Center South                   | \$ 2,477     | \$ 1,616          | \$ 861             |
| Rolling Hills Hospital Behavioral Health Care             | \$ 2,032     | \$ 1,141          | \$ 891             |
| Saint Thomas Highlands Hospital, LLC                      | \$ 3,549     | \$ 1,155          | \$ 2,394           |
| Saint Thomas River Park Hospital                          | \$ 1,761     | \$ 1,092          | \$ 669             |
| Saint Thomas Stones River Hospital, LLC                   | \$ 1,680     | \$ 823            | \$ 857             |
| Saint Thomas West Hospital                                | \$ 2,587     | \$ 1,961          | \$ 626             |
| Southern Tennessee Regional Health System - Winchester    | \$ 1,746     | \$ 1,380          | \$ 365             |
| Southern Tennessee Regional Health System Pulaski         | \$ 3,779     | \$ 2,899          | \$ 880             |
| Sumner Regional Medical Center                            | \$ 2,451     | \$ 1,578          | \$ 873             |
| Tennova Healthcare Jamestown                              | \$ 3,437     | \$ 1,863          | \$ 1,574           |
| TriStar Centennial Medical Center                         | \$ 5,057     | \$ 4,025          | \$ 1,032           |
| TriStar Skyline Madison Campus                            | \$ 4,969     | \$ 4,013          | \$ 957             |
| Trustpoint Hospital                                       | \$ 1,592     | \$ 767            | \$ 825             |
| Vanderbilt University Medical Center                      | \$ 2,907     | \$ 1,919          | \$ 988             |

**3. Section B. Economic Feasibility Item F.2) Net Operating Margin Ratio**

Your response to this item is noted. It appears that you are comparing VPH historical data to VUMC projected data.

Please provide a Projected Data Chart for VPH Total Facility and then recalculate the Net Operating Margin Ratios for VPH Total, historical and projected.

**RESPONSE:** Please find the Projected Data Chart for VPH Total Facility attached. In addition, the Net Operating Margin Ratios for VPH Total are provided below.

| Year                             | 2 <sup>nd</sup> Year<br>previous to<br>Current Year | 1 <sup>st</sup> Year<br>previous to<br>Current Year | Current Year | Projected<br>Year 1 | Projected<br>Year 2 |
|----------------------------------|---|---|--------------|---------------------|---------------------|
| Net<br>Operating<br>Margin Ratio | 13.2%   | 10.5%   | -14.2%       | 2.2%                | 2.8%                |

|   | 2020          | 2021          |
|---|---------------|---------------|
| Utilization Data (Patient Days)             | 33,345        | 33,345        |
| <u>Revenues from Services to Patients</u>   |               |               |
| Inpatient Services                          | \$98,018,928  | \$98,163,937  |
| Outpatient Services                         | \$20,221,991  | \$20,221,991  |
| Emergency Services                          | \$530,990     | \$530,990     |
| Other Operating Revenue                     | \$258,000     | \$258,000     |
| Gross Operating Revenue                     | \$119,029,909 | \$119,174,918 |
| <u>Deductions from Revenue</u>              |               |               |
| Contractual Adjustments                     | (73,256,866)  | (73,383,749)  |
| Provision for Charity Care                  | (7,311,968)   | (7,323,246)   |
| Provisions for Bad Debt                     | (904,394)     | (907,214)     |
| Total Deductions                            | (81,473,227)  | (81,614,209)  |
| <u>Net Operating Revenue</u>                | \$37,556,682  | \$37,560,709  |
| <u>Operating Expenses</u>                   |               |               |
| Salaries and Wages                          |               |               |
| a. Direct Patient Care                      | \$10,531,745  | \$10,551,467  |
| b. Non-Patient Care                         | \$4,781,957   | \$4,788,909   |
| Physician's Salaries and Wages              | \$4,168,344   | \$4,168,344   |
| Supplies                                    | \$1,147,553   | \$1,151,893   |
| Rent  | \$0           | \$0           |
| a. Paid to Affiliates                       | \$0           | \$0           |
| b. Paid to Non-Affiliates                   | \$0           | \$0           |
| Management Fees                             | \$0           | \$0           |
| a. Paid to Affiliates                       | \$0           | \$0           |
| b. Paid to Non-Affiliates                   | \$0           | \$0           |
| Other Operating Expenses                    | \$16,106,258  | \$15,866,156  |
| Total Operating Expenses                    | \$36,735,857  | \$36,526,769  |
| Earnings Before Interest, Taxes and Depr    | \$820,825     | \$1,033,940   |
| <u>Non-Operating Expenses</u>               |               |               |
| Taxes                                       | \$0           | \$0           |
| Depreciation                                | \$935,585     | \$935,585     |
| Interest                                    | \$568,570     | \$568,570     |
| Other Non-Operating Expenses                | \$0           | \$0           |
| Total Non-Operating Expenses                | \$1,504,155   | \$1,504,155   |
| Net Income (loss)                           | (683,330)     | (470,215)     |
| <u>Other Deductions</u>                     |               |               |
| a. Annual Principal Debt Repayment          | \$0           | \$0           |
| b. Annual Capital Expenditures              | \$500,000     | \$500,000     |
| Total Other Deductions                      | \$500,000     | \$500,000     |
| Net Balance                                 | (1,183,330)   | (970,215)     |
| Depreciation                                | \$674,424     | \$674,424     |
| Free Cash Flow (Net Balance + Depreciation) | (508,906)     | (295,791)     |
| General and Administrative                  | \$7,298,536   | \$7,202,131   |
| Fringe Benefits                             | \$4,819,675   | \$4,827,852   |
| Interest/ Lease                             | \$0           | \$0           |
| Equipment and Machinery                     | \$259,187     | \$106,813     |
| Laundry and Housekeeping                    | \$25,000      | \$25,500      |
| Plant Operations                            | \$1,097,918   | \$1,097,918   |
| Purchased Services                          | \$2,605,942   | \$2,605,942   |
|   | \$ 16,106,258 | \$ 15,866,156 |



# Supplemental #3 (Original)

Vanderbilt  
University Medical  
Center

CN1803-016

MAR 29 10:17 AM '18

**Supplemental #3**

**March 29, 2018**

**10:17 A.M.**

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Vanderbilt University Medical Center

I, C. Wright Pinson, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

C Wright Pinson  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29 day of March, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

Jennifer Hygrel  
NOTARY PUBLIC

My commission expires July 8, 2019.

HF-0043

Revised 7/02



**March 29, 2018**

**10:17 A.M.**

**Felts, Ginna**

---

**From:** Mark Farber <Mark.Farber@tn.gov>  
**Sent:** Wednesday, March 28, 2018 2:52 PM  
**To:** Felts, Ginna  
**Cc:** Melanie Hill; Lowavia Eden-Hoback; Steve Bock; Hygrell, Jennifer A  
**Subject:** RE: Request for Supplemental Information re: Vanderbilt University Medical Center, CN1803-016

Ginna,

Thank you. I'd appreciate it if you filed this as a supplemental response before 4:00 pm tomorrow. I will then deem the application complete.

Mark

Mark Farber  
Deputy Director  
Health Services and Development Agency  
Andrew Jackson State Office Building  
502 Deaderick Street, 9th Floor  
Nashville, TN 37243

615-741-2364 (office)  
615-741-9884 (fax)

[Mark.Farber@tn.gov](mailto:Mark.Farber@tn.gov) (email)

[www.tn.gov/hsda](http://www.tn.gov/hsda) (website)

---

**From:** Felts, Ginna [<mailto:ginna.felts@vumc.org>]  
**Sent:** Wednesday, March 28, 2018 2:49 PM  
**To:** Mark Farber  
**Cc:** Melanie Hill; Lowavia Eden-Hoback; Steve Bock; Hygrell, Jennifer A  
**Subject:** RE: Request for Supplemental Information re: Vanderbilt University Medical Center, CN1803-016

\*\*\* This is an EXTERNAL email. Please exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. - STS-Security\*\*\*

Good afternoon. There was an error in the previous file that loaded an incorrect depreciation amount in the bottom of the chart. Please find the updated chart attached.

Should you need additional information, please let me know.

Ginna

Please note that my email address has changed to [ginna.felts@vumc.org](mailto:ginna.felts@vumc.org)

**March 29, 2018**

**10:17 A.M.**

**From:** Mark Farber [<mailto:Mark.Farber@tn.gov>]

**Sent:** Wednesday, March 28, 2018 11:46 AM

**To:** Felts, Ginna

**Cc:** Melanie Hill; Lowavia Eden-Hoback; Steve Bock

**Subject:** RE: Request for Supplemental Information re: Vanderbilt University Medical Center, CN1803-016

Ms. Felts,

One follow-up question:

Pertaining to the Projected Data Chart for VPH Total, please explain why the depreciation under Non-Operating Expenses is \$935,585 and the depreciation under Net Balance is \$674,424.

Mark Farber  
Deputy Director  
Health Services and Development Agency  
Andrew Jackson State Office Building  
502 Deaderick Street, 9th Floor  
Nashville, TN 37243

615-741-2364 (office)

615-741-9884 (fax)

[Mark.Farber@tn.gov](mailto:Mark.Farber@tn.gov) (email)

[www.tn.gov/hsda](http://www.tn.gov/hsda) (website)

# VPH Projected Data Chart

Supplemental #3

March 29, 2018

10:17 A.M.

## Utilization Data (Patient Days)

### Revenues from Services to Patients

|                         | 2020<br>New Projected | 2021<br>New Projected |
|-------------------------|-----------------------|-----------------------|
| Inpatient Services      | \$98,018,928          | \$98,163,937          |
| Outpatient Services     | \$20,221,991          | \$20,221,991          |
| Emergency Services      | \$530,990             | \$530,990             |
| Other Operating Revenue | \$258,000             | \$258,000             |
| Gross Operating Revenue | \$119,029,909         | \$119,174,918         |

### Deductions from Revenue

|                            |              |              |
|----------------------------|--------------|--------------|
| Contractual Adjustments    | (73,256,866) | (73,383,749) |
| Provision for Charity Care | (7,311,968)  | (7,323,246)  |
| Provisions for Bad Debt    | (904,394)    | (907,214)    |
| Total Deductions           | (81,473,227) | (81,614,209) |

### Net Operating Revenue

|              |              |
|--------------|--------------|
| \$37,556,682 | \$37,560,709 |
|--------------|--------------|

### Operating Expenses

|                                |              |              |
|--------------------------------|--------------|--------------|
| Salaries and Wages             |              |              |
| a. Direct Patient Care         | \$10,531,745 | \$10,551,467 |
| b. Non-Patient Care            | \$4,781,957  | \$4,788,909  |
| Physician's Salaries and Wages | \$4,168,344  | \$4,168,344  |
| Supplies                       | \$1,147,553  | \$1,151,893  |
| Rent                           | \$0          | \$0          |
| a. Paid to Affiliates          | \$0          | \$0          |
| b. Paid to Non-Affiliates      | \$0          | \$0          |
| Management Fees                | \$0          | \$0          |
| a. Paid to Affiliates          | \$0          | \$0          |
| b. Paid to Non-Affiliates      | \$0          | \$0          |
| Other Operating Expenses       | \$16,106,258 | \$15,866,156 |
| Total Operating Expenses       | \$36,735,857 | \$36,526,769 |

### Earnings Before Interest, Taxes and Depr

|           |             |
|-----------|-------------|
| \$820,825 | \$1,033,940 |
|-----------|-------------|

### Non-Operating Expenses

|                              |             |             |
|------------------------------|-------------|-------------|
| Taxes                        | \$0         | \$0         |
| Depreciation                 | \$935,585   | \$935,585   |
| Interest                     | \$568,570   | \$568,570   |
| Other Non-Operating Expenses | \$0         | \$0         |
| Total Non-Operating Expenses | \$1,504,155 | \$1,504,155 |

### Net Income (loss)

|           |           |
|-----------|-----------|
| (683,330) | (470,215) |
|-----------|-----------|

### Other Deductions

|                                    |           |           |
|------------------------------------|-----------|-----------|
| a. Annual Principal Debt Repayment | \$0       | \$0       |
| b. Annual Capital Expenditures     | \$500,000 | \$500,000 |

### Total Other Deductions

|           |           |
|-----------|-----------|
| \$500,000 | \$500,000 |
|-----------|-----------|

### Net Balance

|             |           |
|-------------|-----------|
| (1,183,330) | (970,215) |
|-------------|-----------|

### Depreciation

|           |           |
|-----------|-----------|
| \$935,585 | \$935,585 |
|-----------|-----------|

### Free Cash Flow (Net Balance + Depreciation)

|           |          |
|-----------|----------|
| (247,745) | (34,630) |
|-----------|----------|

### General and Administrative

|             |             |
|-------------|-------------|
| \$7,298,536 | \$7,202,131 |
|-------------|-------------|

### Fringe Benefits

|             |             |
|-------------|-------------|
| \$4,819,675 | \$4,827,852 |
|-------------|-------------|

### Interest/ Lease

|     |     |
|-----|-----|
| \$0 | \$0 |
|-----|-----|

### Equipment and Machinery

|           |           |
|-----------|-----------|
| \$259,187 | \$106,813 |
|-----------|-----------|

### Laundry and Housekeeping

|          |          |
|----------|----------|
| \$25,000 | \$25,500 |
|----------|----------|

### Plant Operations

|             |             |
|-------------|-------------|
| \$1,097,918 | \$1,097,918 |
|-------------|-------------|

### Purchased Services

|             |             |
|-------------|-------------|
| \$2,605,942 | \$2,605,942 |
|-------------|-------------|

|               |               |
|---------------|---------------|
| \$ 16,106,258 | \$ 15,866,156 |
|---------------|---------------|